

Annual Report 2009

Your Wealth Our Value



SSEC

บริษัทหลักทรัพย์ ซิกโก้ จำกัด (มหาชน)
SICCO SECURITIES PUBLIC COMPANY LIMITED

Contents

01	Financial Highlights of The Company
02	Message from the Board of Directors
04	Report of the Audit Committee
06	Board of Directors
08	General Information
11	Business Operation of the Company
15	Income Structure
16	Analysis of Operating Results
20	Highlight of Change in the Fiscal Year 2009
21	Market and Competition
29	Risk Factors
31	Shareholders and Dividend Payment Policy
32	Organization Chart
33	Profile of Directors and Management
37	Management Structure
53	Internal Audit
54	Corporate Governance
63	Related Party Transactions
66	Statement of the Board of Directors' Responsibilities
67	Report of The Independent Certificate Public Accountants and Financial Statements

Financial Highlight of The Company

	2009	2008	2007
Financial Position (Million Baht)			
Total Assets	1,217.50	1,062.43	1,407.66
Total Liabilities	305.82	176.06	471.86
Total Equity	911.67	886.36	935.80
Financial Performance (Million Baht)			
Total Income	368.01	397.72	397.56
Total Expenses	338.72	428.05	372.66
Income (Loss) before Income Tax	29.29	(30.32)	24.90
Net (Loss) Income	25.31	(30.32)	15.78
Per share (Baht)			
Book Value Per Share	1.43	1.39	1.47
Earning Per Share	0.040	(0.048)	0.025
Par Value	1.00	1.00	1.00
Dividend Per Share	0.03*	-	0.03
Profitability (%)			
Return on Equity	2.81	(3.33)	1.70
Return on Assets	2.22	(2.46)	1.14
Others (%)			
Net Capital Ratio	222.01	390.06	183.56

*Proposed for approval in the Annual general shareholders meeting in April 28, 2010.

Message from the Board of Directors



Securities business in 2009 faced a great turbulence since the first quarter as Thai stock index was under pressure of global economic crisis that had lingering impact on stock exchanges worldwide. In the second quarter, investment in the stock exchange suffered seriously from political unrest in the country, including from the 2009 Flu Pandemic. However, the situation started to pick up when USA's deflation pushed foreign cash flow into Asian economies. Meanwhile, world economic had recovered due to stimulative fiscal policies and accommodative monetary measures of various countries. These factors had encouraged a continuous growth of securities business in the third quarter.

At 2009 year-end, the SET Index closed at 734.54 points, increasing from 2008 by 284.58 points, or an increase of 63.24%. Daily average trading value rose from Baht 15,869.64 million in 2008 to Baht 17,853.82 million. During the year, the SET Index reached its highest closing level at 751.86 points, and the lowest one at 411.27 points.

As for 2009 operating results, the Company and its subsidiaries registered a net profit of Baht 21.29 million, equal to Baht 0.033 earning per share. When compared to 2008, the figure increased by 176.19% from the net loss of Baht 27.95 million. Significant factors influencing the Company's performance were:-

1. Securities brokerage income, the main income accounting for 78.61% of total income, increased from that of 2008 by Baht 10.58 million or by 3.79%. In 2009, the Company had Baht 289.65 million securities brokerage income, compared with Baht 279.08 million in 2008. Its securities trading value rose by 7.83%, whereas market share fell slightly from 1.50% in 2008 to 1.49% in 2009.
2. Derivatives brokerage income decreased by Baht 11.46 million or by 25.40% from Baht 45.11 million in 2008 to Baht 33.66 million in 2009. This was resulted from 2009's decline in market share on futures brokerage that moved from 3.47% in 2008 to 1.86%.
3. Income from fees and services totaled Baht 10.07 million, lower from Baht 34.56 million of 2008 by Baht 24.49 million or by 70.85%, since there was no income from underwriting fees.

4. Gain on securities trading improved by Baht 16.90 million compared with Baht 15.70 million loss in 2008, because the Company had, in 2008, recognized the loss on securities trading and made a provision for impairment of investment in ordinary shares of Thailand Securities Finance Corporation.

5. Total expenses of the Company and its subsidiaries registered at Baht 348.70 million, dropping from Baht 444.12 million total expenses in 2008 by Baht 95.42 million. Major expenses experiencing changes were expenses on borrowing that declined by Baht 4.61 million, and doubtful accounts (reversal) that decreased by Baht 72.87 million as the Company had not made additional allowance for doubtful accounts on securities business receivables other than that already provided in 2008.

In 2010, it is anticipated that competition in securities business will become more intense, as the Stock Exchange of Thailand is implementing the sliding scale of brokerage commission that allow customers to negotiate for desired rates when the trading value goes beyond Baht 20 million. Besides, brokerage income from transactions worth between Baht 5 million to 20 million will reduce in accordance with commission rates that run down the scale. Thus, securities companies tend to earn less income. Protracted political problem in the country will have serious influence on confidence and investment in stock markets.

Despite factors unfavorably affecting income from securities business, the Company is determined to pursue policies and business plans that aim to expand its customer base and service performance. Particular focus is on internet trading service, plan for generating income from derivatives brokerage, income from selling agent fees, income from proprietary trading, as well as plan for boosting business volume from new business, such as securities borrowing and lending transaction, and employee joint investment program (EJIP), etc.

Apart from income generating plan, the Company still recognizes the importance of optimal costs and expenses management, development of securities analyses, corporate governance, including continual personnel development.

Finally, on behalf of the Company's Board of Directors, I would like to thank all shareholders, customers, and staff for constant supports, and hope that the Company continues to receive these supports along its way toward accomplishing the goal of being a quality securities company for all times.



(Miss Wanvimol Chotipuech)

Chairman



Report of the Audit Committee

The Audit Committee of SICCO Securities Public Company Limited, appointed by the Board of Directors' resolution in accordance with guidelines under the Stock Exchange of Thailand's regulations, consists of independent directors: Mr. Yothin Pibulkasetkij, as the Audit Committee Chairman; Mr. Apichai Anukularmphai and Mr. Nopadol Yingchatchaval, as the Audit Committee members; with Mr. Nakorn Lampavas, the Executive Vice President, as the Secretary to the Committee.

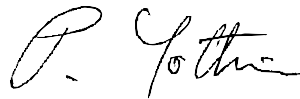
The Audit Committee has discharged its duties within the scope of responsibilities designated by the Company's Board of Directors and the Charter of the Audit Committee. In the fiscal year 2009, the Audit Committee had 4 meetings, and conducted its duties which could be summarized as follows:-

1. Reviewing and endorsing the Company's annual and quarterly financial statements, including connected transactions or transactions that may lead to a conflict of interest with the Company from reports and/or disclosure on relationships of related transactions; before proposing these reports to the Board of Directors with the affirmation that they are adequately disclosed and correctly prepared according to generally-accepted accounting standards. The Committee, in compliance with the Stock of Thailand's regulations, held meetings with external and internal auditors to freely discuss the audit results and to acknowledge clarifications, observations, and suggestions of those in charge.
2. Reviewing the suitability and assessing the adequacy of internal control system, according to the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In this respect, the Committee considered the reviews of the external and internal auditors and the suitability of internal control system in various areas. Apart from that, the Committee reviewed the operations of the Audit and Compliance Division, which involved audit planning, audit result reporting, as well as the follow-up activities. The Committee also acknowledged the reviewing results, including information from briefing and enquiry sessions, and gave its observations and recommendations as appropriate.
3. Reviewing and monitoring the Company's risk management on conducting its securities business, based on the Risk-Based Approach guidelines of the Office of the Securities and Exchange Commission and on the Risk Management Policy for the Financial Business Group of the Siam Commercial Bank Public Company Limited. This was done by considering the management reports on various risks concerning financial adequacy and security, operational system and procedures, clients' assets and information, including the information management.

4. Selecting and proposing the appointment of the Company's external auditors as well as the audit fees to the Company's Board of Directors, for further approval from the Annual General Shareholders Meeting.
5. Preparing the Report of the Audit Committee, signed by the Audit Committee Chairman, to be disclosed in the Company's Annual Report.

The Audit Committee was in agreement that the Company had regularly complied with related regulations and laws, including supervised to prevent any conflict of interest. Its financial statements disclosed sufficient information in accordance with generally-accepted accounting standards and the Auditor's report. The Management executed the business undertaking within a framework of ethical conducts and transparency, and pursued improvements toward corporate governance environment together with adequate and efficient internal control system.

Remarks : Prof. Paichitr Rojanavanich, Dr. Kopr Kritayakirana and Mr. Kriang Kiatfuengfoo resigned from the Audit Committee since August 26, 2009.



(Mr. Yothin Pibulkasetkij)
Audit Committee Chairman
February 17, 2010

Board of Directors



1. Ms. Wanvimol Chotipuech

Chairman
Chairman of the Executive Directors
Chairman of the Compensation Committee

2. Mr. Yothin Pibulkasetkij

Independent Director
Audit Committee Chairman
Compensation Committee Member

3. Mr. Apichai Anukularmphai

Independent Director,
Audit Committee Member
Compensation Committee Member



4. Mr. Nophadol Yingchatchaval

Independent Director
Audit Committee Member
Compensation Committee Member

5. Mr. Siripong Sutharoj

Director
Executive Director
Managing Director and Chief Executive Officer

6. Mrs. Jirapan Chairaj

Director
Executive Director
Managing Director and Chief Operating and Financial Officer

7. Mr. Chakkris Uthayophas

Director
Executive Director
Senior Executive Vice President

General Information

o SICCO SECURITIES PUBLIC COMPANY LIMITED

Registration No.	0107542000038
Registered Capital	Baht 637,215,030
Paid-up Capital	Baht 637,215,030
Type of Share	637,215,030 ordinary share, par value of Baht 1.00 each

o Type of Business

The company has licenses to conduct securities business for the following :

1. Securities Brokerage
2. Derivatives Brokerage
3. Selling Agent
4. Underwriting Service
5. Investment Advisory
6. Securities Trading
7. Securities Borrowing and Lending (to be operated within 2010)

o Head Office

130 - 132, 1st - 2nd Floor, Sindhorn Tower 2 and 12th Floor, Sindhorn Tower 3, Wireless Road, Lumpini, Patumwan, Bangkok 10330

Tel. 0-2627-3100

Fax. 0-2263-2043

Website <http://www.ssec-online.com>

o **Branch Office in Metropolitan**

Silom Branch

126-126/1-2,3rd Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500

Tel. 0-2634-0077

Fax. 0-2267-2770

Vorawat Building Branch

849, 19th Floor, Room 1903, Vorawat Building, Silom Road, Silom, Bangrak, Bangkok 10500

Tel. 0-2635-2080

Fax. 0-2635-2067

Sukhumvit 39 Branch

177/12 Soi Sukhumvit 39, Sukhumvit Road, Khlong Tan Nua, Khlong Toei, Bangkok 10110

Tel. 02-662-1955

Fax. 02-662-1805

o **Branch Office in Region**

Mee Chok Plaza Branch

206/25 Moor 6, Mee Chok Plaza, Tambon Faham, Amphoe Mueang, Chiang Mai 50000

Tel. 0-5323-0244

Fax. 0-5323-0240

Phichit Branch

117-119 Rachkasemuthis Road, Tambon Nai Mueang, Amphoe Mueang, Phichit 66000

Tel. 0-5665-0815

Fax. 0-5665-0775

Nakhon Sawan Branch

4/65 Suchada Road, Tambon Paknumpo, Amphoe Mueang, Nakhon Sawan 60000

Tel. 0-5631-4460

Fax. 0-5631-4466

Udon Thani Branch

139 Markaeng Road, Tambon Markaeng, Amphoe Mueang, Udon Thani 41000

Tel. 0-4232-6382

Fax. 0-4232-5982

Khon Kaen Branch

71/6 Klang Mueang Road, Tambon Nai Mueang, Amphoe Mueang, Khon Kaen 40000

Tel. 0-4333-4850

Fax. 0-4333-4865

Surin Branch

114 Tesaban 3 Road, Tambon Nai Mueang, Amphoe Mueang, Surin 32000

Tel. 0-4453-9111

Fax. 0-4453-9473

Surat Thani Branch

452/119-120 Taradmai Road, Tambon Tarad, Amphoe Mueang, Surat Thani 84000

Tel. 0-7721-4294

Fax. 0-7721-4288

Krabi Branch

368/7 Utarakit Road, Tambon Paknam, Amphoe Mueang, Krabi 81000

Tel. 0-7562-3099

Fax. 0-7562-3147

Trang Branch

59/11 Huayyod Road, Tambon Tubtieng, Amphoe Mueang, Trang 92000

Tel. 0-7522-3260

Fax. 0-7522-3266

o **Juristic Entities in which the Company Holds Equity Stake of 10% or more**

1. SICCO Advisory Company Limited

Type of Business	:	Financial Advisor
Registration No.	:	0105545029400
Registration Capital and Paid-up Capital	:	Baht 20,000,000
Type of Share	:	2,000,000 ordinary share, par value of Baht 10.00 each
Investment Amount	:	Baht 19,999,930
% of Stake	:	99.99
Location	:	130-132, 12 th Floor, Sindhorn Tower 3, Wireless Road, Lumpini, Patumwan, Bangkok 10330
Tel.	:	0-2675-3899
Fax.	:	0-2675-3898

2. SSEC Asset Management Securities Company Limited

(Temporarily suspend the business for 2 years from June 1, 2009 onwards.)

Type of Business	:	Private Fund Investment Advisory
Registration No.	:	0105549121505
Registration Capital and Paid-up Capital	:	Baht 30,000,000
Type of Share	:	3,000,000 ordinary share, par value of Baht 10.00 each
Investment Amount	:	Baht 15,300,000
% of Stake	:	51.00
Location	:	130-132, 1 st - 2 nd Floor, Sindhorn Tower 2, Wireless Road, Lumpini, Patumwan, Bangkok 10330
Tel.	:	0-2627-3100 ext. 2420
Fax.	:	0-2263-2043

o **Other Reference Persons**

Securities Registrar

Thailand Securities Depository Company Limited

Capital Market Academy Building, 2nd Floor, 2/7 Moo 4, (North Park Project) Vibhavadi-Rangsit Road, Tung Song Hong, Laksi, Bangkok 10210

Tel. 0-2596-9000, 0-2596-9302-11 Fax. 0-2832-4994-6

Auditors

Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.

Rajanakarn Building 25th Floor, 183 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120

Tel. 0-2676-5700 Fax. 0-2676-5757

1. Dr. Suphamit	Techamontrikul,	CPA License	No. 3356 and/or
2. Mr. Niti	Jungnitnirundr,	CPA License	No. 3809 and/or
3. Mr. Permsak	Wongpatcharapakorn,	CPA License	No. 3427

Legal Advisors

Kanung & Partners Law Offices Co.,Ltd.

12th Floor, Nai Lert Tower 2/4 Wireless Road, Lumpini, Patumwan, Bangkok

Tel. 0-2252-0888 Fax. 0-2252-2369

Business Operation of the Company

Services Features

SICCO Securities Public Company Limited (abbreviation: SSEC), is the SET member company no. 5. Its subsidiaries are SICCO Advisory Company Limited (SAC), and SSEC Asset Management Securities Company Limited (SSECAM). The Company is authorized by the Ministry of Finance and the Office of Securities and Exchange Commission to conduct securities business operations as follows:-

1. Securities Brokerage Business

The Company's main income is derived from securities brokerage. It embraces the concept of rendering services with ethical code of conduct, accuracy and swiftness through modern information technology system. Prompt news and information as well as efficient investment consultation are provided for retail, institutional and foreign investors. Clients can make their trading orders via 2 channels, which are placing order through investor contacts, and making orders by themselves through the internet. Regarding the securities trading accounts, clients have options for opening the accounts with the Company as follows:-

1. Account traded on a cash basis, which includes:-

1.1 Cash Account: Clients can trade securities by depositing 15% cash guarantee as stipulated by the Stock Exchange of Thailand. Settlement of securities traded must be made within 3 working days after trading, through the automated transfer system (ATS).

In respect of cash accounts, the Company offers a special securities trading service under the Easy Wealth Builder program. With this, clients can diversify risks by exercising a monthly securities-savings plan with small investment amount, based on the principle of dollar cost averaging. Investors thus do not need to make a mandatory 15% guarantee; the settlement can be made by monthly installments of equal amount via the ATS.

1.2 Cash Balance Account: Clients can trade securities for the amount of cash deposited with the Company as a settlement guarantee for securities they bought. When a client sell securities, the amount received will be kept in the account to support further consideration regarding his/her purchasing power. The amount is entitled to interest at the rate stated by the Company.

2. Credit Balance Account: Clients can apply for a loan for buying securities, by placing cash and/or securities as settlement guarantee at the minimum rate of 50% or not lower than the rate specified by the Stock Exchange of Thailand. Moreover, the Company also acts as an intermediary for clients who wish to borrow from the Thailand Securities Finance Corporation (TSFC) for securities trading through the Company's account.

Over the past 3 years, the Company had registered trading volume as per the table below:-

	2009	2008	2007
Stock Exchange (M. Baht)	3,856,510*	3,981,230	4,271,820
The Company (M. Baht)	128,952*	119,597	131,120
Market Share (%)	1.49*	1.50	1.53
Market Rank	26*	25	25
The Company's Trading Volume by Types (M. Baht)			
● Type of Client*			
- Retail Clients	122,325	112,728	126,570
- Institutional and Foreign Clients	6,469	6,552	4,095
● Type of Accounts			
(through investor contacts only)			
- Cash Account	76,052	75,556	85,434
- Credit Balance Account	6,339	14,414	17,970
● Type of Ordering Channels			
- Marketing Officer	82,391	91,111	103,909
- The Internet	46,585	28,486	27,180

* Excluding the Company proprietary portfolio

2. Derivatives Trading Business

In 2009, the Company provided 4 types of derivatives trading services as follows:-

2.1 Futures Contract, with SET50 index as the underlying asset, or the so-called SET50 INDEX FUTURES. Buyers and sellers have obligations to fulfill the contracts. This service was initiated since April 28, 2006.

2.2 Options Contract or SET 50 INDEX OPTIONS, where buyers have the right to buy or sell and the sellers have obligations to fulfill the contracts. This service was initiated since October 29, 2007.

2.3 Stock Futures Contract, where buyers and sellers have obligations to fulfill the contracts. The service was initiated since November 24, 2008, so that investors can hedge their investment portfolios in tandem with having the right to dividends. This kind of contract offers higher yields than the average market yield. In the initial phase, underlying assets include such stocks as PTT, PTTEP and ADVANCE. Subsequently, more ordinary stocks in the SET50 group have been added. These stocks are of big cap and high liquidity, and are also key stocks of various groups established by SET. The new set of underlying stocks, consisting of BANPU, BAY, BBL, ITD, KBANK, KTB, LH QH, SCB, SCC, and TTA, are open for trading since June 22, 2009. At present, there are total 14 stocks available for trade under stock futures contracts.

2.4 Gold Futures Contract, offers an alternative of investment via gold. Investors have more flexibility in that they can trade for profits even when the gold prices rise or fall. In addition, the upward gold market situation attracts investor's interest. Thus, gold futures contract becomes a useful tool for hedging risks for gold investment portfolios

of investors or gold shops. The service was initiated since February 2, 2009.

Derivatives Trading Value

	2009	2008	2007
Derivatives Market (M. Baht)	2,668,636	1,875,564	1,412,637
The Company (M. Baht)	48,071	64,879	32,382
Market Share	1.80	3.46	2.29
Market Rank	22	10	15

Source: The Thailand Futures Exchange PCL (TFEX)

3. Mutual Fund Selling Agent

The Company renders service of selling agent for unit trusts of mutual funds, as another investment alternative for investors wishing to invest in mutual funds. There are numerous funds available, such as Money Market Fund, Fixed Income Fund, Equity Fund, Retirement Mutual Fund and Foreign Investment Fund. Investors can also seek advices from the Company's experienced and proficient officers who have earned investment planning certificates from the Office of Securities and Exchange Commission. At the end of 2009, the Company was the Mutual Fund Selling Agent for 18 asset management companies.

Fund Size

	2009	2008	2007
Fund Size* (M. Baht)	1,676,301	1,358,674	1,412,637
The Company (M. Baht)	5,281	4,789	7,362
Market Share	0.32	0.35	0.52

* Excluding the Company investment portfolio

Source : The Association of Investment Management Companies

4. Securities Underwriting Business

The Company provides the underwriting service, either as a lead underwriter or an underwriter, for securities issuers who wish to offer their securities, debt instruments, and equity instruments for sale to the public.

5. Securities Trading Business

The Company has a policy to invest in securities or derivatives, either issued by government agencies, state enterprises or private companies, as well as debt and equity instruments, both in short-term and long-term. In making an investment decision, the Investment Committee will take into account the issuer's stability, safety of investment fund, reasonable return rate, other business relationships or benefits, adequate liquidity and various risks. Every month, the Committee submits investment reports to the Executive Committee, who will subsequently propose them to the Board of Directors. Investment policy will be reviewed annually. Loss limitation is specified in compliance with the investment policy approved by the Board of Directors.

6. Investment Consultation Business

The Company and SSEC Asset Management Securities Company Limited, a subsidiary, undertake the investment consultation business by offering advisory service to general or private placement investors. Services include advice on securities selection, briefing on investment trend in the SET, and analysis for securities that well match and suit clients' investment plan, taking into consideration the appropriateness and best interest of the clients. SSEC Asset Management Securities Company Limited had been permitted by the Office of Securities and Exchange Commission to temporarily cease operations for 2 years, effective since June 1, 2009.

In 2009, the Company and SSEC Asset Management Securities Company Limited had no transaction on the investment consultation business.

7. Financial Advisory Business

SICCO Advisory Company Limited, a subsidiary established on March 15, 2002, conducts financial advisory business with the support of competent and experienced staffs who have received financial advisor licenses from the Office of the Securities and Exchange Commission. Services are available for various activities, such as the sale of securities via public offerings (IPO, PO) or private placement (PP), the listing of securities on the Stock Exchange of Thailand or on the Market for Alternative Investment (MAI), the preparation of a tender offer, the debt restructuring plan, the capital restructuring plan, the merger and acquisition, as well as financial advisory service such as the project feasibility analysis, and the securities evaluation, etc.

In 2009, the insecure economy worldwide accompanied by fluctuating investment situation of the Stock Exchange, particularly in the first half-year, had made general investors lose confidence. As a result, many companies suspended their securities listings on the Stock Exchange. The Company's income from financial advisory fees and underwriting fees dropped drastically. However, SICCO Advisory Company Limited had rendered services as an independent financial advisor to give professional opinions on connected transactions, on securities valuation, on issuance of convertible debentures of listed companies, and a financial advisor for preparation of tender offers.

8. Private Fund Management Business

SSEC Asset Management Securities Company Limited (SSECAM), its subsidiary, SSECAM will manage a client's private fund according to a mutually-agreed investment policy. In this regard, SSECAM will assign experienced staffs, who possess expertise in investment management and qualifications required by the Office of the Securities and Exchange Commission, to administer fund management for clients. Furthermore, SSECAM has set up the "Investment Committee", comprising SSECAM's top executives and personnel with competency in investment management, to jointly consider and formulate the investment policy, as well as to develop guidelines on managing clients' private fund, for the maximum benefits of its clients.

Income Structure

Income	Acquired by	2009		2008		2007	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Securities business income							
1.1 Brokerage fees from							
- securities business	Company	289.65	78.61	279.08	68.11	307.44	71.88
- derivative business	Company	33.66	9.13	45.11	11.01	17.96	4.20
Total fees		323.31	87.74	324.19	79.12	325.40	76.08
1.2 Fees and service income							
	Company	7.52	2.04	22.24	5.43	17.63	4.12
	SAC	1.62	0.44	6.82	1.67	5.37	1.26
	SSECAM	0.93	0.25	5.50	1.34	24.76	5.79
Total fees and services income		10.07	2.73	34.56	8.44	47.76	11.17
1.3 Gain (loss)							
- on trading in securities	Company	1.25	0.34	(15.81)	(3.86)	0.54	0.13
	SAC	-	-	0.11	0.03	0.11	0.03
- on trading in derivative business	SSECAM	(0.05)	(0.01)	0.00	0.00	(0.01)	0.00
Total Gain (loss) on trading in securities		1.20	0.33	(15.70)	(3.83)	0.64	0.16
1.4 Interest and dividend							
	Company	7.33	1.99	11.06	2.70	11.44	2.67
	SAC	0.31	0.08	0.18	0.04	0.22	0.05
	SSECAM	0.06	0.02	(0.24)	(0.06)	0.13	0.03
Total interest and dividend		7.70	2.09	11.00	2.68	11.79	2.75
1.5 Interest on margin loans	Company	27.99	7.60	52.49	12.81	40.36	9.44
Total securities business income		370.27	100.49	406.54	99.22	425.96	99.60
2. Other income							
2.1 Gain (loss) on disposal of fixed assets							
	Company	(0.05)	(0.01)	2.14	0.52	0.93	0.22
	SAC	-	-	(0.03)	(0.01)	(0.77)	(0.18)
	SSECAM	(2.12)	(0.58)	-	-	-	-
Total Gain (loss) on disposal of fixed assets		(2.17)	(0.59)	2.11	0.51	0.16	0.04
2.2 Other income							
	Company	0.71	0.19	1.42	0.35	1.27	0.30
	SAC	(0.34)	(0.09)	(0.08)	(0.02)	0.65	0.15
	SSECAM	(0.01)	0.00	(0.24)	(0.06)	(0.36)	(0.08)
Total other income		0.36	0.10	1.10	0.27	1.58	0.37
Total other income		(1.81)	(0.49)	3.21	0.78	1.74	0.41
Total income		368.46	100.00	409.75	100.00	427.70	100.00

Remark SAC : SICCO Advisory Co., Ltd. (A subsidiary owned by the Company at 99.99% of total share.)

SSECAM : SSEC Asset Management Securities Co., Ltd. (A subsidiary owned by the Company at 51.00% of total share.)



Analysis of Operating Results

Analysis of Operating Results for Fiscal Year 2009 ended December 31, 2009

In 2009, the Company and its subsidiaries had net profit of Baht 21.29 million, equal to Baht 0.033 earning per share, or increasing by 176.19% from that of 2008 which registered a net loss of Baht 27.95 million and a net loss of Baht 0.044 per share. Total income was Baht 368.46 million, decreasing by Baht 41.29 million or 10.08% from total income of Baht 409.75 million in 2008.

Income from securities brokerage fees rose by 10.58 million, a 3.79% increase, from Baht 279.08 million in 2008 to Baht 289.65 million in 2009 due to a 7.83% year-on-year increase in trading turnover. The Company's market share on securities trading brokerage reduced slightly from 1.50% in 2008 to 1.49% in 2009.

Income from futures brokerage fees fell by Baht 11.46 million from Baht 45.11 million in 2008 to Baht 33.66 million in 2009, or a 25.40% increase, as its futures trading volume declined by 23.18%. The Company's market share on futures contract brokerage adjusted from 3.47% in 2008 down to 1.86% in 2009.

Income from fees and services decreased from Baht 34.56 million in 2008 to Baht 10.07 million, equal to a decrease of Baht 24.49 million or 70.85%, main cause of which was the slumped investment banking income.

In 2009, the Company had Baht 1.25 million gain on securities trading, rising by 107.99% from Baht 15.70 million loss in 2008, or an increase of Baht 16.96 million. This was because the Company had already recognized its loss on securities trading and had made a reserve for impairment of investment in ordinary shares of Thailand Securities Finance Corporation.

Interest income on margin loan decreased by Baht 24.49 million, or 46.67%, from Baht 52.49 million last year to Baht 27.99 million in 2008, owing to the decrease of average margin loan amount.

Gain on sale of fixed asset dropped by Baht 4.29 million or by 203.21%, when compared with Baht 2.11 million gain in 2008, to Baht 2.18 million loss in 2009. This was resulted from Baht 2.12 million amortization of some assets of a subsidiary that temporarily ceased operations.

Total expenses of the Company and its subsidiaries decreased by Baht 95.42 million or by 21.49% from Baht 444.12 million in 2008 to Baht 352.68 million in 2009. Main expenses registering significant changes included expenses on borrowing, which fell by Baht 4.61 million due to decreasing interest payables on customers' deposit guarantees as market interest rate declined; doubtful accounts (reversal), which decreased by Baht 72.87 million as the Company made no additional allowance for doubtful accounts on securities business receivables from 2008 ; and corporate income tax, which increased by Baht 3.83 million according to higher net profits.

Overall Securities Business

The SET index in 2009 closed at the level of 734.54 points, soaring by 63.25% when compared to that of 2008 which closed at 449.96 points.

The combined market capitalization of the SET and MAI increased from Baht 3,981 billion in 2008 to Baht 4,429 billion in 2009, or an increase of 11.25%.

The average daily trading turnover rose from Baht 16.12 billion in 2008 to Baht 18.23 billion in 2009, or an increase of 13.08%.

Operating results of the Company and its subsidiaries as categorized by types of business can be summarized as follows:-

(1) Securities Business Income

1.1) Securities Trading Brokerage Fees

The Company had total trading turnover in 2009 of Baht 128,952.11 million, compared to total trading turnover in 2008 of Baht 119,596.95 million, increasing from that of 2008 by 7.83%. As a result, income from securities trading brokerage fees of the Company rose from last year's by Baht 10.58 million.

1.2) Futures Trading Brokerage Fees

The Company had total futures trading volume in 2009 of 114,705 contracts, compared to total futures trading volume of 149,303 contracts in 2008, or a year-on-year drop of 23.18%. Thus, income from futures trading brokerage fees of the Company in 2009 decreased by Baht 11.46 million.

1.3) Income from Fees and Services

The Company had income from fees and services of Baht 10.07 million, decreasing from Baht 34.56 million by 70.85%. Main income from fees and services comprised of income from private banking business, securities underwriting fee, and fund management fee, etc.

(2) Securities Business Expenses

2.1) Expenses on Borrowing

Interest on borrowing totaled Baht 2.60 million, decreasing by Baht 4.61 million or by 63.95% from Baht 7.21 million last year, as interest payables on customers' deposit guarantees decreased in line with reducing market interest rate.

2.2) Fee and Service Expenses

Fee and service expenses amounted to Baht 27.57 million, which comprised of fees paid to the SET in accordance with securities trading volume, fees paid to banks for using ATS services, and fees for business licences, etc.

(3) Operating Expenses

Employee expenses and premises and equipment expenses were proportionally high when comparing to total expenses, accounted for 50.69% and 24.60% respectively. These two items were both semi-variable expenses against income.

Financial Status

● Total Assets

As at December 31, 2009, the consolidated financial statements registered total assets of the Company and its subsidiaries of Baht 1,220.37 million, increasing by Baht 144.61 million or by 13.45% from 2008 which had Baht 1,075.77 million total assets. Main asset itemization and significant changes in asset were as follows:-

For net liquid assets in 2009, the Company had net liquid capital of 222.01%, which was higher than 7% minimum requirement stipulated by the Office of the Securities and Exchange Commission. The Company's cash and cash equivalents amounted to Baht 215.14 million.

Investment in securities was Baht 170.23 million, accounted for 13.95% of total assets, increasing by Baht 4.97 million from that of last year. Most of the investment concentrated on the unit trusts that invested in government debt instruments with low risk and high cash liquidity.

Receivables from clearing house decreased by 72% to register at Baht 16.14 million. Securities and futures business receivables amounted to Baht 773.54 million, or increasing by 25.13% from 2008, as the daily average trading value at ending 2009 was higher than that of 2008.

Securities business receivables consisted of Baht 250.81 million receivable balance of cash accounts, Baht 350.08 million receivable balance of margin loans, and Baht 172.65 million for other receivables. Receivables on cash accounts increased by Baht 132.17 million or by 111.41% from Baht 118.64 million at ending 2008 to reach Baht 250.81 million at ending 2009. Meanwhile, receivable balance of margin loans dropped by Baht 15.40 million or by 4.22% from Baht 365.47 million at ending 2008 to Baht 350.08 million at ending 2009. In 2009, provision for doubtful accounts decreased from Baht 92.16 million in 2008 to Baht 86.80 million or decreased by 5.81%.

Net premises and equipment amounted to Baht 39.53 million, decreasing by Baht 14.72 million or a reduction of 24.14% from Baht 54.25 million of 2008.

Sources of Funds

At the end of 2009, the Company's source of fund were liabilities of Baht 306.07 million and shareholders' equity of Baht 914.31 million, with the debt to equity ratio of 0.34 times. Total liabilities of the Company came mostly from securities and futures business receivables which amounted to Baht 243.57 million.

The Company had sufficient fund from shareholders' equity for undertaking the business. It also had short-terms credit lines from financial institutions for its business operation.

The Net Capital Ratio (NCR) as at December 31, 2009 was equivalent to 222.01%, which was higher than 7% minimum requirement specified by the Office of the Securities and Exchange Commission.

Major Factors and Influences that may effect Future Operations or Financial Status

Factors that may have resulting effects towards the Company's future operations and financial status are the economic situations, and political stability in Thailand, and economic situations in other related foreign countries, which will have impact towards investors' confidence in investing in the securities market, interest rate trends, and oil prices etc. Moreover, as the Stock Exchange of Thailand has policy to liberate the securities trading commission fee in future, the securities business may face intense competition which may result in lower revenue from securities trading brokerage fee.

From the above stated problems, the Company had realized the importance of distinctive policy and planning in conducting its business. Customer base expansion had been planned by using marketing strategy, and the Company's employees. Moreover, by not depending mainly on revenue from securities trading brokerage fee, the Company had expended its business to boost its revenue from commission fee by expanding its selling agent business, financial advisor and derivatives trading broker, etc.

Auditor Remuneration

The Company and its subsidiary companies paid the audit fee and non-audit fee as follow:

● Audit Fee

Company	Auditor Company		Audit Fee		Other Expenses	
	2009	2008	2009	2008	2009	2008
SICCO Securities Pls.			1,104,000	1,134,000	-	-
SICCO Advisory Co., Ltd.			200,000	200,000	-	-
SSEC Asset Management Securities Co., Ltd.			220,000	330,000	-	-
Total			1,524,000	1,664,000	-	-

● Non - Audit Fee

- None -

Highlight of Change in the Fiscal Year 2009

● February

- 1 February** Closed the operations of Chiang Mai Land branch office.
- 2 February** Initiated service on trading of gold futures, the fourth futures contract product of the derivatives exchange.

● March

- 23 March** Moved its Udon Thani branch office from no. 26/1 Phokanuson Road to no. 139/1 Markaeng Road, Tambon Markaeng, Amphoe Mueang, Udon Thani 41000.

● May

- 25 May** Moved its Krabi branch office from no. 65/8 Issara Road to no. 368/7 Utarakit Road, Tambon Paknam, Amphoe Mueang, Krabi 81000.

● June

- 1 June** SSEC Asset Management Securities Co., Ltd. (a subsidiary) announced a two-year temporary closure, effective since June 1, 2009.

● August

- 24 August** Introduced a new investment plan, under the Easy Wealth Builder Program, focusing on regular monthly investment in oil index funds and gold index funds to mitigate mutual funds' price risk.

● September

- 28 September** Initiated the Integrated Account, a new internet service trading service featuring 2 options between internet systems (Settrade Streaming and Smile Trading), where customers could use a single account code to trade on all their internet-accessed accounts.

● November

- 3 November** SSEC was granted the license for Securities Borrowing and Lending services from the Ministry of Finance.

● December

- 3 December** Closed the operations of Sukhumvit 23 branch office.



Market and Competition

Securities Business Environment in 2009

o Equities

Thai stock market in 2009 was favorable, with index rising by 284.58 points from 449.96 points at the 2008 year-end to close at 734.54 points, or a 63.24% market dividend yield. During 2009, the SET Index was under the influence of a series of positive and negative factors. In the first quarter, the SET Index was pressured by lingering world economic crisis that caused General Motors, a leading U.S. auto manufacturer, to implement pay cuts and layoffs, and also by Russia's negotiations to postpone repayment of over \$400 billion of its private sector debts. The SET Index faced intense pressures in 2nd quarter from national political turmoil that put off the ASEAN Summit and brought about the announcement of state of emergency in Bangkok and its vicinity, as well as from the 2009 flu pandemic. However, it could improve to reach 638.05 points, supported by foreign capital inflow into Asian region as a result of deflation in the U.S. which took place for the first time since 1955. With Asian economy showing a positive sign of expansion since 3rd quarter, Thai stock market reaped the benefits of global economic recovery made happen by stimulative fiscal policies and accommodative monetary policies of various countries. All these became major reinforcements for the index to stand at 731.58 points and reach 751.86 points in 4th quarter, before being pushed back by unfavorable rumors to remain below 700 points. Thai stock market also came under pressure from crisis of Dubai World postponing its debt repayment and the Supreme Administrative Court ordering the suspension of 76 projects in Map Ta Phut Industrial Estate. With investments from domestic LTF-RMF funds, Thai stock market eventually picked up to close at 734.54 points, while most markets worldwide declined. There were 18 new listed companies (IPO) on Thai stock markets in 2009: 7 of which were listed on the SET, and the other 11 on the MAI (whereas in 2008, 11 IPOs were enlisted: 8 on the SET, and 3 on the MAI.)

At 2009 year-end, the SET Index closed at 734.54 points, growing by 284.58 points or a 63.24% increase. The P/E ratio was at 25.56 times, while the P/BV ratio was at 1.56 times. Market dividend yield was 3.65%. Total market value was Baht 5,873,100.93 million, higher than Baht 3,568,223.48 million of 2008. Average daily turnover value was Baht 17,853.82 million, a year-on-year increase from Baht 15,869.94 million in the previous year. During the year, the SET Index reached its highest level at 751.86 points, and its lowest one at 411.27 points. The MAI Index

at the end of 2009 closed at 215.30 points, increasing by 52.37 points or 32.14%, with the P/E ratio of 22.74 times and the P/BV ratio of 1.66 times. Market dividend yield was 4.32%. Total market value was Baht 39,130.85 million, which was higher than Baht 22,152.86 million of the previous year. Average daily turnover value was Baht 372.43 million, increasing from Baht 248.40 million last year. During the year, the MAI Index reached its highest level at 217.83 points and the lowest one at 148.96 points.

Market Overview

	2009	2008
SET Data		
SET Index		
- Closed	734.54	449.96
- Highest	751.86	884.19
- Lowest	411.27	384.15
Market Dividend Yield (%)	3.65	6.57
Market P/E Ratio	25.56	7.01
Market P/BV Ratio	1.56	0.98
Average Daily Turnover Value		
- Volume (million shares)	3,663.06	3,397.51
- Value (million Baht)	17,853.82	15,869.94
MAI Data		
MAI Index		
- Closed	215.30	162.93
- Highest	217.83	293.12
- Lowest	148.96	150.53
Market Dividend Yield (%)	4.32	7.29
Market P/E Ratio	22.74	7.50
Market P/BV Ratio	1.66	1.11
Average Daily Turnover Value		
- Volume (million shares)	206.95	93.11
- Value (million Baht)	372.43	248.40

Source: The Stock Exchange of Thailand

For trading transactions by investor types, it was found that the net buy of foreign investors was Baht 38,012.81 million. Proprietary trading had a net buy of Baht 1,486.10 million, while those of institutional and local investors were Baht 2,471.84 million and Baht 37,027.07 million respectively. Details are as follows:

Unit : Million Baht							
2009	Institutional Investors		Proprietary Trading		Foreign Investors		Local Investors
	Value	%	Value	%	Value	%	Value %
Buy	293,928.91	6.64	573,211.80	12.94	879,884.89	19.87	2,681,953.58 60.55
Sell	296,400.75	6.69	571,725.70	12.91	841,872.08	19.01	2,718,980.65 61.39
Net	(2,471.84)	-	1,486.10	-	38,012.81	-	(37,027.07) -

Source: The Stock Exchange of Thailand

o Derivatives

In 2009, sales volume of derivatives market increased from 8,699 contracts/day in 2008 to 12,771 contracts/day, with 4 types of product being traded on the market: SET50 index futures, single stock futures, gold futures, and SET50 index options. Data from the Thailand Future Exchange (TFEX) showed that SET50 index futures had the highest sales volume of 84.36% (10,774 contracts/day) of the total trading volume, followed by gold futures and single stock futures that accounted for 10.94% (1,397 contracts/day) and 4.70% (600 contracts/day) of the total trading volume. Regarding investors, the number of new trading accounts soared by 86.5% to 29,647 accounts. Investors in 2009 could be categorized as follows:-

Types of Investor	2009		2008	
	Contracts	%	Contracts	%
Institutional investors	871,988	28.37	566,843	26.38
Local individuals	1,855,540	60.36	1,215,436	56.57
Foreign investors	346,291	11.27	366,341	17.05
Total	3,073,819	100.00	2,148,620	100.00

Source: Thailand Future Exchange Public Company Limited

o Mutual Fund

In the past 2009, the mutual fund industry in general rebounded from its downturn. According to the Association of Investment Management Companies, the net asset value of total funds grew at a higher rate than that of 2008. At the end of December 2009, the fund net asset value was Baht 1.85 trillion, increasing by 21% from the previous year. At the end of December 2008, the fund net asset value was Baht 1.53 trillion, or a 5% drop against the year before. On the whole, the revival of mutual fund net asset value in 2009 was attributable to the progressive economic recovery globally, providing better conditions for investments in various assets.

Fund Size and Growth Rate

	2009	2008	2007
Fund Size (billion Baht)	1,845.66	1,526.81	1,610.89
Growth rate (%)	21	(5)	32

Source: The Association of Investment Management Companies

When considering by types of mutual fund, the fixed income fund still had the highest net asset value of Baht 1.18 trillion (22% increasing from last year), the second to which was foreign investment fund (FIF). In 2009, asset management companies had taken strategic moves by distributing more of their investments overseas, thereby raising the industry's net asset value to Baht 0.54 trillion (84% increasing from last year). Likewise, equity fund continued to expand their investment throughout regions worldwide, and thus the net asset value grew to Baht 0.35 trillion (34% increasing from last year).

In terms of growth rate, long-term equity fund had the highest rate of growth in net asset value, which was 88% from last year. The figure was in consistent with fund managers' projection that global stock markets still offered greater possibilities for high rate of returns, based mainly on the recuperation of short-term stock prices in the second half of 2009 after going down remarkably over the first half-year due to world financial crisis. In addition, the mutual funds with tax incentive, i.e. retirement mutual funds (RMF), could maintain the constant net asset value growth at Baht 0.06 trillion (48% increasing from last year). On the contrary, capital protected fund was the only fund having dissatisfied experienced with the net asset value, which plummeted by 79% from the previous year to Baht 0.01 trillion.

Fund Size (Classified by Types)

			Unit : Million Baht
	2009	2008	Growth Rate (%)
Fixed Income Fund	1,175,854	967,513	22
Equity Fund	345,441	256,980	34
Property Fund	78,754	68,555	15
Mixed Fund	57,006	46,534	23
Foreign Investment Fund	543,243	295,555	84
Long Term Equity Fund	85,498	45,463	88
Capital Protected Fund	9,890	46,131	(79)
Retirement Mutual Fund	58,551	39,530	48

Note: Information as at ending December 2009

Source: Association of Investment Management Companies

Competition in Securities Business

o Equities

Securities industry in the past 2009 had faced a fierce competition, either in attracting customers, enhancing quality of servicing technology, or rendering trading advices, as well as getting personnel from other companies of the same industry. To prepare for the more intense competition will be commenced, several securities companies had in 2008 expanded their corporate sizes by means of business mergers. Newly formed companies included Finansia Syrus Securities PCL (a merger of Syrus Securities, Finansia Securities, and ACL Securities), and KT Zmico Securities Co., Ltd. (a merger of KTB Securities and Zeamico Securities). In 2008, the minimum securities trading fee remained at 0.25% for general securities trading, whereas the internet trading fee was fixed at 60% of general rates. The liberalization of broker fees based on sliding scale methodology will be commenced in 2010.

Over the past year, many securities companies attached greater importance to alternative incomes other than securities brokerage fees, with the aim of reducing reliance on the likely less profitable fee income. This embraced the issuance of novel financial products and services, such as derivative warrants or private fund, as well as the management of their own investment portfolios, which played a significant role in securities market dynamics. Furthermore, numerous securities houses sought to form an alliance with both local and international enterprises for

expansion of income channels. Still, income structure of securities industry for the past year indicated the high reliance on brokerage fees at over 75% of total income.

In 2009, there were 38 securities companies being the SET member companies. The number was so high that it prompted correspondingly high competition in securities business. Average market share was at 2.63%, whereas the company with the highest market share gained 10.7% and the one with the lowest share gained only 0.1%. Those having market share below average consisted of 25 companies.

Table: Market Share of the Securities Trading Companies in 2009

Rank	Name	Abbreviation	Market Share (%)
1	Kim Eng Securities (Thailand) Public Company Limited	KIMENG	10.70
2	Asia Plus Securities Public Company Limited	ASP	5.71
3	KT Zmico Securities Company Limited	KTZ	5.47
4	Phillip Securities (Thailand) Public Company Limited	PST	5.11
5	Country Group Securities Public Company Limited	CGS	4.83
6	Phatra Securities Public Company Limited	PHATRA	4.45
7	Thanachart Securities Public Company Limited	TNS	4.38
8	Bualuang Securities Public Company Limited	BLS	4.08
9	KGI Securities (Thailand) Public Company Limited	KGI	3.88
10	Credit Suisse Securities (Thailand) Limited	CS	3.36
11	Ayudhya Securities Public Company Limited	AYS	3.29
12	BFIT Securities Public Company Limited	BFITSEC	2.99
13	UBS Securities (Thailand) Limited	UBS	2.84
14	Capital Nomura Securities Public Company Limited	CNS	2.60
15	TISCO Securities Company Limited	TSC	2.54
16	SCB Securities Company Limited	SCBS	2.50
17	Kasikorn Securities Public Company Limited	KS	2.39
18	Globlex Securities Company Limited	GLOBLEX	2.27
19	Macquarie Securities (Thailand) Limited	MACQ	2.19
20	Finansia Syrus Securities Public Company Limited	FSS	2.15
21	DBS Vickers Securities (Thailand) Company Limited	DBSV	2.01
22	UOB Kay Hian Securities (Thailand) Public Company Limited	UOBKHST	2.00
23	Aira Securities Public Company Limited	AIRA	1.77
24	CLSA Securities (Thailand) Limited	CLSA	1.74
25	Kiatnakin Securities Company Limited	KKS	1.57
26	SICCO Securities Public Company limited	SICSEC	1.49
27	JP Morgan Securities (Thailand) Limited	JPM	1.49
28	ACL Securities Company Limited	ACLS	1.46
29	Trinity Securities Company Limited	TRINITY	1.31
30	Siam City Securities Company Limited	SCIBS	1.29
31	Far East Securities Company Limited	FES	1.06
32	Seamico Securities Public Company Limited	ZMICO	1.04
33	I V Global Securities Public Company Limited	IVG	0.86
34	Merchant Partners Securities Public Company Limited	MERCHANT	0.82
35	Finansa Securities Limited	FINANSA	0.79
36	United Securities Public Company Limited	US	0.77
37	CIMB Securities (Thailand) Company Limited	CIMBS	0.72
38	CIMB-GK Securities (Thailand) Limited	CIMB-GK	0.10

Source: The Stock Exchange of Thailand

o Derivatives

According to notifications of Thailand Futures Exchange PCL (TFEX), fees for trading of SET50 Index Futures were Baht 450 on first 5 contracts, Baht 350 each for 6th-20th contracts, and Baht 250 each for 21st contract and over. Fee for Single Stock Futures trading was fixed at 0.10% of the total of contract value plus fees stipulated by TFEX. As for SET50 Index Options, trading fees were Baht 90 on first 5 contracts, Baht 70 each for 6th-20th contracts and Baht 50 each for 21st contract and over. Trading fees for Gold Futures were Baht 500 on first 5 contracts, Baht 400 each for 6th-20th contracts, and Baht 300 each for 21st contract and over. All these fees were exclusive of 7% VAT.

Trading conditions of derivatives market in 2009 changed significantly since there were more transactions on the proprietary portfolios. Besides, derivatives market had launched the new product of Gold Futures, thereby raising the number of members from 37 companies in 2008 to 42 companies in 2009.

Table: Market Share of Derivatives Companies in 2009

Rank	Name	Abbreviation	Market Share (%)
1	Kim Eng Securities (Thailand) Public Company Limited	KEST	10.75
2	Phillip Securities (Thailand) Public Company Limited	PST	9.80
3	KGI Securities (Thailand) Public Company Limited	KGI	7.78
4	Trinity Securities Company Limited	TNITY	7.46
5	Globlex Securities Company Limited	GBS	7.26
6	Phatra Securities Public Company Limited	PHATR	4.48
7	Bualuang Securities Public Company Limited	BLS	3.93
8	Asia Plus Securities Public Company Limited	ASP	3.48
9	Thanachart Securities Public Company Limited	TNS	3.42
10	KT Zmico Securities Company Limited	KTZ	3.21
11	JP Morgan Securities (Thailand) Limited	JPM	2.53
12	SCB Securities Company Limited	SCBS	2.42
13	Kiatnakin Securities Company Limited	KKS	2.36
14	ACL Securities Company Limited	ACLS	2.13
15	Capital Nomura Securities Public Company Limited	CNS	2.08
16	Ayudhya Securities Public Company Limited	AYS	2.00
17	Credit Suisse Securities (Thailand) Limited	CS	1.96
18	Country Group Securities Public Company Limited	CGS	1.95
19	SICCO Securities Public Company Limited	SSEC	1.86
20	Finansia Syrus Securities Public Company Limited	FSS	1.68
21	Kasikorn Securities Public Company Limited	KS	1.67
22	BFIT Securities Public Company Limited	BSEC	1.57
23	Merchant Partners Securities Public Company Limited	MPSEC	1.53
24	Siam City Securities Company Limited	SCIBS	1.44
25	UBS Securities (Thailand) Limited	UBS	1.34
26	TISCO Securities Company Limited	TSC	1.22
27	T.C. Ausiris Futures Company Limited*	TCAF	1.21
28	MTS Gold Futures Company Limited*	MTSGF	1.06
29	YLG Bullion & Futures Company limited*	YLG	0.82
30	DBS Vickers Securities (Thailand) Company Limited	DBSV	0.80
31	Finansa Securities Limited	FSL	0.68

Rank	Name	Abbreviation	Market Share (%)
32	Aira Securities Public Company Limited	AIRA	0.66
33	Seamico Securities Public Company Limited	ZMICO	0.64
34	Hua Seng Heng Gold Futures Company Limited *	HGF	0.62
35	Far East Securities Company Limited	FES	0.54
36	UOB Kay Hian Securities (Thailand) Public Company Limited	UOBKH	0.38
37	UOB Bullion and Futures (Thai) Limited	UOBFT	0.33
38	CLSA Securities (Thailand) Limited	CLSAT	0.26
39	CIMB Securities (Thailand) Company Limited	CIMBS	0.25
40	GT Wealth Management Company Limited*	GTWM	0.24
41	United Securities Public Company Limited	US	0.15
42	I V Global Securities Public Company Limited	IVG	0.06

* Gold Related Agents are member who can trade only gold related products

Source: The Thailand Futures Exchange Pcl.

Securities Business Outlook for 2010

o Equities

Thai stock market in 2010 foresees supports from promising global economic recovery, and especially from economic expansion in Asian economies, such as China and India, which are expected to expand enormously. Moreover, the FED's tendency to keep its policy rate at the existing low level until mid-year will encourage the shift of investment capital from countries in North America and Europe to Asian countries that offer higher returns. Meanwhile, risks on base value adjustment of Asian stock markets are subject to both the increasing trend of interest rates to anchor economic turbulence and the inflow of speculative foreign investments in stock market and real estate market. It is anticipated that India, Korea, and Indonesia are raising their interest rates in 1st quarter, so is China in 2nd quarter. With respect to Thailand's economic revival, government stimulus measures like the Strong Thailand Scheme are likely to show concrete results since 1st quarter onward. If political problems are not serious enough to undermine the government stability and the Map Ta Phut crisis alleviates, investors' confidence should increase and the momentum of economic growth will run smoothly, thereby inciting Thai stock market to improve in line with regional market trends. Thai stock market in 2010 is forecast to move sideways between 710-820 points with a possibility that foreign investors influencing net buy more actively than they did the previous year. Institutional investors are likely to hold net sell positions during the first half-year and then become net buyers in the second half. Individual investors and proprietary traders will focus more on short-term trading.

In 2010, listed companies in general will enjoy the profit growth rate of about 14%. Promising stocks can be divided into 2 industrial groups. One includes those benefitting from government stimulus measures or from investment and consumption of local private sectors: banking, real estate, communications, and construction. Another includes those benefitting from foreign recoveries: energy, agricultural produce, petrochemicals, electronic parts, steel, and transportation.

Competition in securities business tends to be more aggressive in the wake of liberal brokerage fees based on sliding scale method, where customers with trading value over Baht 20 million gain negotiation power. Thus, it is possible that stock brokerage companies devise a vicious price-cut to win new customers and keep existing customer base. As brokerage fees for Baht 5-20 million falls according to the sliding scale basis, securities companies will suffer from income shrinkage. Internet trading has an obvious tendency to expand because its brokerage fee is lower than that of

trading made by a marketing officer. Also, the tendency of fierce competition will cause numerous securities houses to extensively improve themselves. In particular, small-sized companies with market share less than 3% will be fraught with business difficulties. If this price war lingers along the year, it is certain that securities industry experience a 20-30% decline in income. There might be more mergers between securities companies than last year. Consequently, number of securities companies with higher market share will increase, and at the same time, number of securities companies with market share below 3% will decrease. In all, it is anticipated that securities companies tend to place great emphasis on controlling personnel expenses more strictly; using technology to reduce costs, issuing assorted financial products to serve customer needs, boosting incomes from both stock and derivative investment portfolios to compensate descending brokerage fee income, as well as managing risks more efficiently to prevent loss.

o Derivatives

As for the goal of derivatives market in 2010, the Managing Director of the Thailand Futures Exchange PCL (TFEX) has revealed that in 2010 it plans to introduce the mini-gold futures (10-Baht weight) into the derivatives market, followed by interest rate futures. Apart from that, TFEX is determined to enhance liquidities of its current products, by encouraging members to extend proprietary trading business. It takes responsibility for promoting market liquidity and exploring possibilities of extension of derivative trading sessions so as to increase liquidity of global commodity index products, such as gold. In 2010, TFEX aims to attain an average daily trading volume of 15,078 contracts, and expects to double it in 3 years' time.

o Mutual Fund

In view of mutual fund business trend, 2010 will be a tough year in that fund managers need to pursue strategies for managing their investment portfolios carefully. It is expected that net asset value of respective funds will continually expand from the previous year, yet at a contracted rate owing to high base. Factors significant to the said overview are as follows:-

1. Overall return on investment expand greatly from the second half of last year with supports from various policies and measures designed to help out financial institutions and to stimulate economic recovery. However, these policies and measures can diminish so as to slow down economic over-enthusiasm in some countries such as China, whose economic recovery is in fragile stage. Therefore, investment conditions are fairly risky and volatile, spurring the need of cautious investment in risk assets (especially investment in commodities).
2. Political unrest and Map Ta Phut problem remain negative factors continuously affecting domestic economic and investment conditions, particularly the stock market. As a result, investments will engage mainly in trading stocks in accordance with market movement, or selecting stocks by sector or by attributes.
3. Debt instruments will become more popular. Most fund managers share the same opinion that emphasis should be put on short-term debt instruments and money market fund in order to gain return on investment that corresponds to market interest trend. In the first half-year, market interest rates tend to increase in line with growing demand for loans, hence pressing commercial banks to compete to mobilize deposits before policy rates increase in the second half.



Risk Factors

1. Risk from Liberalization of Brokerage Fees and Securities Business License

The SEC had resolved to maintain the minimum brokerage fees for some time, yet within the exact of 5 years, so as to be consistent with the liberalization of securities business license which will be in effect since January 1, 2012, where there will be no limit on the number of new licenses granted. From January 1, 2010 to December 31, 2011, it is required that the calculation of securities brokerage fees be based on a sliding scale method, i.e. fee rate decreases when the number of transactions increases, and when the number of such transactions increases to some extent, the fee rate may be negotiable. In addition, from January 1, 2012 onwards, the liberally negotiable brokerage fee rate will be implemented. Referring to the abovementioned fact, such fee rate adjustment and liberalization in the future can affect profitability of securities companies. However, the Company realizes such risk and prepares itself for serious competition in the future, by devising strategies for the distribution of its income structure so that it does not rely solely on brokerage fee income; providing a variety of financial products to satisfy customer needs; enhancing efficiency of Internet-based securities trading system; controlling corporate expenses efficiently; and promoting skill and knowledge development for investor contact officers.

2. Risk from Stock Market Fluctuation

The Company's income comes mainly from brokerage fees from securities trading, the volume of which depends on world market situation and investor confidence. The market will fluctuate in response to various factors which influence securities trading, and thus affect its market share and securities trading brokerage fees. To mitigate the risk that stock market fluctuation poses on its brokerage fees, the Company has a policy to improve its income structure and business undertaking, so that it does not depends mainly on either income, and to provide appropriate services according to certain market situation, e.g. unit trust selling services, and securities borrowing and lending services now in progress. These could compensate the Company's income when market becomes fluctuating.

3. Risk from Dependence on Major Customers

The Company's main income comprises brokerage fee income from individual customers; it may therefore be exposed to risk from high-volume customer concentration. In order to reduce such risk, the Company has a policy on continuous expansion of individual customer base by training individual investors, developing Internet-based securities trading system, advancing a variety of marketing plans through the Easy Wealth Builder campaign, etc.

In 2009, the Company had a total of 1,656 trading accounts compared to a total of 1,398 ones in 2008, or an 18.45% increase from the previous year.

4. Risk Regarding Personnel

The securities business requires knowledgeable, experienced, and licensed personnel to act as investor contacts, giving advice concerning securities trading, and to pursue customer base expansion. Therefore, the personnel with such qualifications and customer base are extremely in need, leading to a tough competition in recruitment and problem of manpower shortage.

In this regard, the Company has adopted a clear policy toward development of personnel knowledge and operating skills, as well as retention of personnel in long-term service, by offering satisfactory incentives and other remunerations as appropriate to and in line with securities market conditions and competition.

5. Risk from Securities Underwriting Business

The Company bears a risk that it might fail to allot or sell all the securities agreed to underwrite, due to inappropriate offering prices or market volatility. In such case, the Company may suffer losses from taking up the under-subscribed securities into its corporate investment account. To prevent such risk, the Underwriting Committee will analyze and study the issuers' type of business, preliminary information, operating performance and respective business trends, as well as observe investors' interest in buying the offered securities. Said information will be used in making a decision as to whether to enter into an underwriting deal.

6. Risk from Bad Debt and Doubtful Account of Securities Receivables

The risk from bad debt and doubtful accounts regarding securities receivables arises when customers having requested finance for margin trading as well as cash account customers fail to meet payment within the time limit. The Company, by its Risk Management Committee, has developed a clear policy on margin loan in order to keep the loan amount within the specified limit and suitable to market situation at that time. The loan limit for each customer must not exceed 20% of the Company's capital fund, where the total loan amount must not exceed 1 time of the capital fund. The Company has a control on buying transaction against concentration of particular securities. With regard to cash account trade, the Company demands a deposit of 15% of the trading limit, which is in compliance with criteria of the Stock Exchange of Thailand. Directives and procedures concerning customer settlement have been set. Moreover, the Company attaches great importance to carefully screening for quality customers, by stipulating trading limit as appropriate to financial status of each customer, meticulously reviewing customer financial status and credit limit, as well as supervising to ensure that its operations conform to the stated regulations and procedures.

As of December 31, 2009, the Company had total cash securities debtors of Baht 250.81 million compared to Baht 118.64 million as of December 31, 2008, obligations of which increased by Baht 132.17 million or 111.41%. At the same time, it had total loan debtors of Baht 350.08 million compared to Baht 365.47 million in 2008, obligations of which decreased by Baht 15.40 million or 4.22%. These debtors had more collaterals than the value of obligations. In 2009, the Company had no bad debts or reserves for doubtful accounts from securities business debtors.

7. Other Factors Possibly Influencing Investment Decision

Legal Disputes

The Company had no material legal disputes that could significantly impact its business undertaking.

Shareholders and Dividend Payment Policy

Shareholders

Major Shareholders (Latest book closing on December 30, 2009)

Name	No. of Shares	% of paid-up capital
The Siam Industrial Credit Public Company Limited	446,457,860	70.06
Raffles Nominees (PTE) Limited	18,395,400	2.89
Mr. Anon Khunwisarn	12,632,102	1.98
Mr. Wisan Khunwisarn	12,500,000	1.96
ACL Securities Company Limited	6,640,000	1.04
Thai NVDR Company Limited	4,880,600	0.77
Mr. Paiboon Tangtrongsak	4,286,000	0.67
Mr. Wipon TrimongkolChok	3,400,000	0.53
Mr. Sanguan Wanakitpiboon	3,300,000	0.52
Ms. Piyasri Tantiwattana	2,119,800	0.33
Total	514,611,762	80.75

Dividend Payment Policy

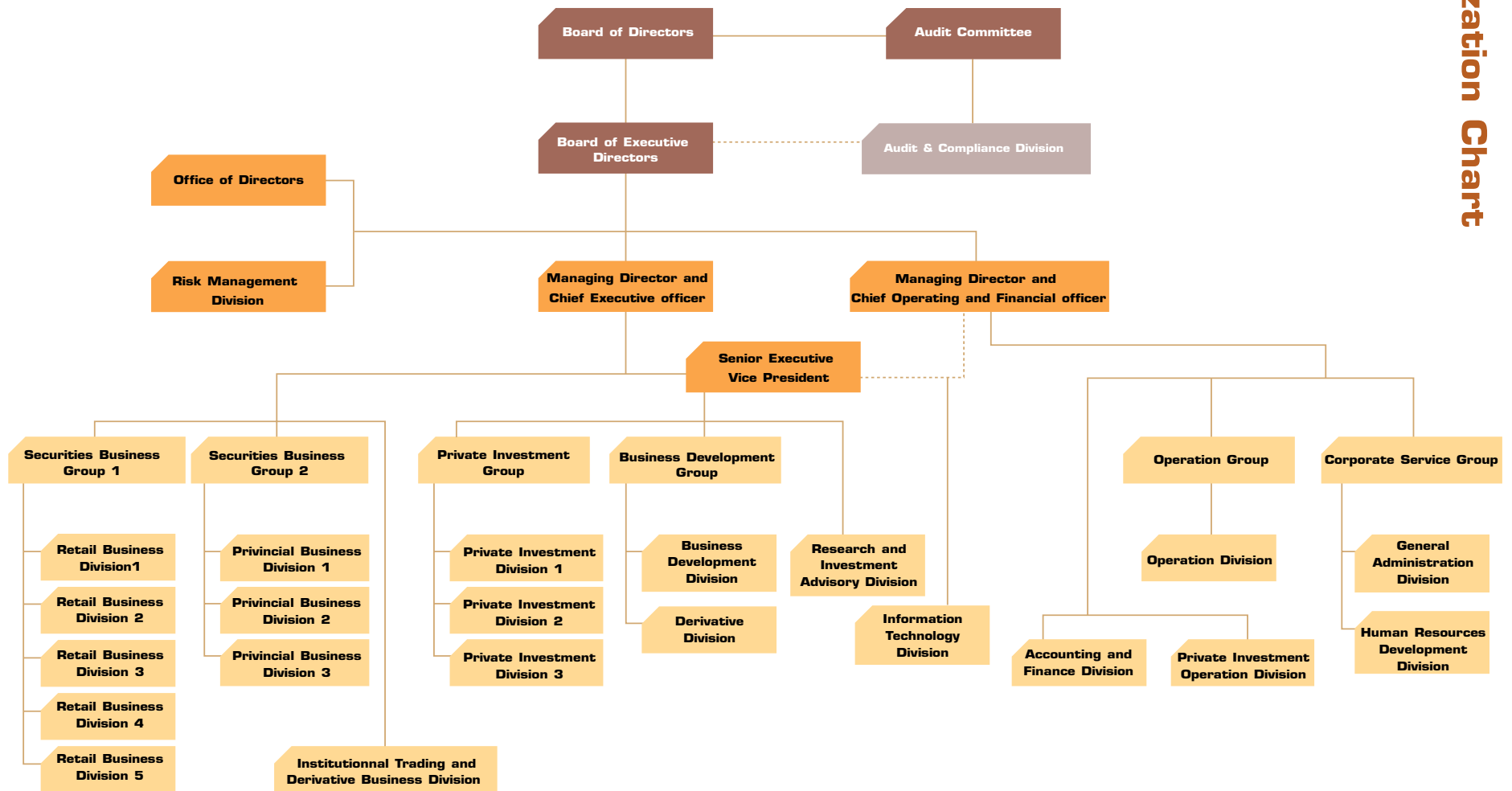
The Company and Subsidiary have policy of paying dividend to shareholders not less than 50% of its annual net Profit

Details of dividend payment of the Company during 2006-2009 :

Approval	Fiscal Year			
	2009*	2008	2007	2006
	Proposed for approval in the AGM 2010	Approved in the AGM 2009	Approved in the AGM 2008	Approved in the AGM 2007
Net Income (Million Baht)	25.31	(30.32)	15.78	3.55
Earning Per Share (Baht)	0.04	(0.05)	0.025	0.006
Par Value (Baht)	1.00	1.00	1.00	1.00
Dividend Per Share (Baht)	0.03	-	0.03	-
Dividend Payout Ratio (%)				
- Actual	75.54	-	121.11	-
- Policy	≥ 50	≥ 50	≥ 50	≥ 50

* Dividend Payment has proposed for approval in the AGM 2010, which will be held on 28/4/10.

Organization Chart



Organization Chart as of December 31, 2009

Profile of Directors and Management

Name/Present Position	Age	Education	% Of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization/Company
Ms. Wanvimol Chotipuech - Chairman - Chairman of the Executive Directors - Chairman of the Compensation Committee	39	- M.B.A., Eastern Michigan University, Michigan, U.S.A. - B.B.A. (Accounting), Thammasat University <u>Training Courses</u> - Directors Certification Program, The Thai Institute of Directors Association - Directors Accreditation Program, The Thai Institute of Directors Association	-	-	Jun-09 - Present May-09 - Present Aug-09 - Present 1997 - 2009 1996 - 1997	Chairman, Chairman of the Executive Directors, Chairman of the Compensation Committee President and Chief Executive Officer Chairman Finance Director Finance Director	SICCO Securities Plc. The Siam Industrial Credit Plc. SICCO Advisory Co.,Ltd. Unilever Taiwan Ltd., Taiwan Unilever Asia Private Ltd., Singapore
Mr. Yothin Pibulkasetkij - Independent Director - Audit Committee Chairman - Compensation Committee Member	63	- B.A. (Commerce), Chulalongkorn University <u>Training Courses</u> - Directors Certification Program, The Thai Institute of Directors Association - Company Secretary Program, The Thai Institute of Directors Association - Financial Leadership Program by The Wharton School, University of Pennsylvania - Advanced Bank Management Program by Asian Institute of Management	-	-	Aug-09 - Present 2005 - 2007 1999 - 2004	Independent Director, Audit Committee Chairman, Compensation Committee Member Chief Audit Officer, Audit Management Group Manager of Audit and Compliance Department	SICCO Securities Plc The Siam Commercial Bank Plc. The Siam Commercial Bank Plc.
Mr. Apichai Anukularmchai - Independent Director - Audit Committee Member - Compensation Committee Member	64	- M.Sc. (Civil Engineering), Louisiana State U., U.S.A. - M.B.A., Utah State U., U.S.A. - National Defence College <u>Training Courses</u> - Directors Accreditation Program, The Thai Institute of Directors Association	-	-	Aug-09 - Present 2004 - Present 2000 - Present	Independent Director, Audit Committee Member, Compensation Committee Member Director Director	SICCO Securities Plc. Inter Far East Engineering Plc. Yip In Tsoi & Jacks Ltd.

Name/Present Position	Age	Education	% Of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization/Company
Mr. Nophadol Yingchatchaval - Independent Director - Audit Committee Member - Compensation Committee Member	62	- M.Sc.(Industrial Engineering), U. of Wisconsin, U.S.A. <u>Training Courses</u> - Directors Accreditation Program, The Thai Institute of Directors Association	-	-	Aug-09 - Present	Independent Director, Audit Committee Member, Compensation Committee Member	SICCO Securities Plc.
					2005 - Present	Director and Executive Director	Thai Industrial & Engineering Service Plc.
					2005 - Present	Director and Executive Director	Phuket International Hospital Co.,Ltd.
					1995 - Present	Director and Managing Director	Megafirst Co.,Ltd.
					1991 - Present	Managing Director	Provest Co.,Ltd.
					1990 - Present	Director	Muang Lek Prosper Co.,Ltd.
					1999 - Present	Director, Executive Director, Managing Director and Chief Executive Officer	SICCO Securities Plc.
					2002 - Present	Director, Executive Director	SICCO Advisory Co.,Ltd.
Mr. Siripong Sutharoj - Director - Executive Director - Managing Director and Chief Executive Officer	50	- M.B.A. (Banking and Finance), North Texas State University, U.S.A. <u>Training Courses</u> - Director Certification Program, The Thai Institute of Directors Association - NIDA Executive Leadership Program, Wharton University of Pennsylvania, USA	-	-	2009 - Present	Director	SSEC Asset Management Securities Co., Ltd.
Mrs. Jirapan Chairoj - Director - Executive Director - Managing Director and Chief Operating and Financial Officer	56	- B.B.A. (Accounting), Thammasat University - CPA <u>Training Courses</u> - Director Certification Program The Thai Institute of Directors Association	-	-	2005 - Present	Director, Executive Director, Managing Director and Chief Operating and Financial Officer	SICCO Securities Plc.
					2005 - Present	Director	SICCO Advisory Co.,Ltd.
					1996 - 2004	President	The Siam Commercial Samaggi Insurance Plc.

Name/Present Position	Age	Education	% Of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization/Company
Mr. Chakkris Uthayophas - Director - Executive Director - Senior Executive Vice President	46	- M.Sc. (Industrial Engineering and Management), The Asian Institute of Technology - B.Sc. (Statistics), Chulalongkorn University <u>Training Courses</u> - Director Certification Program, The Thai Institute of Directors Association	-	-	2006 - Present	Director, Executive Director, Senior Executive Vice President	SICCO Securities Plc.
					2006 - Present	Director, Executive Director	SICCO Advisory Co.,Ltd.
					2004 - 2005	Director and CEO	SICCO Advisory Co.,Ltd.
					2005	Director, Executive Director	SICCO Securities Plc.
Mrs. Orapim Chalarug - Executive Vice President- Corporate Service Group - Company Secretary - Directors Secretary	54	- M.Sc. (Human Resource Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University - B.A. (Economics), Chiangmai University <u>Training Courses</u> - Company Secretary Program, The Thai Institute of Directors Association - Effective Minute Taking, The Thai Institute of Directors Association	0.05	-	1999 - Present	Executive Vice President - Corporate Service Group	SICCO Securities Plc.
Mr. Prasitsin Witsawan - First Executive Vice President- Securities Business Group 1 and Group 2	52	- B.Sc. (Accounting), Kasetsart University	-	-	2002 - Present	First Executive Vice President - Securities Business Group 1 and Group 2	SICCO Securities Plc.
Ms. Chutima Dejitprapab - Executive Vice President- Operation Group	55	- B.B.A. (Accounting), Ramkhamhaeng University	0.02	-	Jul-07 - Present	Executive Vice President - Operation Group	SICCO Securities Plc.
					2005 - Jun-07	Executive Vice President Securities Business Group 2	SICCO Securities Plc.
					Feb-04 - 2005	Executive Vice President - Branch Business Development Group	SICCO Securities Plc.
					Sep-03 - Jan-04	Executive Vice President - Branch Business Development Division	SICCO Securities Plc.

Name/Present Position	Age	Education	% Of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization/Company
Mr. Kanog Wongsarawit - Executive Vice President- Business Development Group	43	- Master of Commerce, University of Wollongong, Australia	-	-	Apr-08 - Present	Executive Vice President - Business Development Group	SICCO Securities Plc.
					Sep-07 - Apr-08	Senior Vice President	KGI Securities (Thailand) Plc.
					Sep-05- Aug-07	Head of Business Development	Macquarie Securities (Thailand) Co.,Ltd.
Mr. Nakorn Lampavas - Executive Vice President- Audit & Compliance Division	44	- M.B.A., Dhurakijpundit University - BBA. (Account), Ramkhaeng University	-	-	Jul-06 - Present	Executive Vice President - Audit & Compliance Division	SICCO Securities Plc.
					2001 - Jun-06	Senior Vice President - Audit & Compliance Division	SICCO Securities Plc.
Mr. Kant Athatamsuntorn - Executive Vice President- Information Technology Division	37	- M.B.A., Chulalongkorn University - B.Sc., Prince of Songkla University	-	-	Jan-08 - Present	Executive Vice President - Information Technology Division	SICCO Securities Plc.
					Apr-06 - Dec-08	Senior Vice President - Information Technology Division	SICCO Securities Plc.
					Mar-05 - Apr-06	Senior Vice President - Business Development	United Securities Plc.
					May-02 - Feb-05	Senior Vice President - Information Technology Division	Apex Securities Co., Ltd.
Mr. Supot Lapchayanon - Executive Vice President- Retail Business Division 3	48	- M.B.A., Siam University	-	-	Jul-08 - Present	Executive Vice President - Retail Business Division	SICCO Securities Plc.
					Sep-98 - Jun-08	Senior Vice President - Retail Business Division 3	SICCO Securities Plc.
Mrs. Amporn Chiammunchit - Senior Vice President- Accounting and Finance Division	47	- M.S. (Accounting), Thammasat University - B.A., Chulalongkorn University	-	-	Jul-07 - Present	Senior Vice President - Accounting and Finance Division	SICCO Securities Plc. -
					Dec-05 - Jun-07	Senior Vice President - Operation Division	SICCO Securities Plc.
					2004 - 2005	Compliance Manager	CLSA Securities (Thailand) Co., Ltd.
					1999 - 2004	Senior Vice President - Corporate Control	Ayudhaya Securities Plc.

Note * Including shares of spouse and dependent, Data as of closing book dated December 30, 2009.

Management Structure

As of December 31, 2009, the Company's management structure consisted of 3 main boards which were Board of Directors, Board of Executive Directors, and Audit Committee. Moreover, there were standing committees which had been nominated to supervise specific tasks, namely Compensation Committee, Risk Monitoring Committee, Credit Committee, Investment Committee, and Underwriting Committee.

1. The Board of Directors

The Company has clearly stipulated the structure, and roles and responsibilities of the Board of Directors, which is to discharge its responsibilities for determining the Company's business direction through policy guidelines, objectives, and plans; as well as reviewing business performances and following them up so as to ensure their accordance with the established policy guidelines, objectives, and plans.

As of December 31, 2009, the Company's Board of Directors consisted of the following members:-

- | | | |
|-----------------|----------------|---|
| 1. Ms. Wanvimol | Chotipuech | Chairman |
| 2. Mr. Yothin | Pibulkasetkij | Independent Director and Audit Committee Chairman |
| 3. Mr. Apichai | Anukularmphai | Independent Director and Audit Committee Member |
| 4. Mr. Nophadol | Yingchatchaval | Independent Director and Audit Committee Member |
| 5. Mr. Siripong | Sutharoj | Managing Director and Chief Executive Officer |
| 6. Mrs. Jirapan | Chairoj | Managing Director and Chief Operating and Financial Officer |
| 7. Mr. Chakkris | Uthayophas | Senior Executive Vice President |

With Mrs. Orapim Chalarug as Company Secretary and the Secretary to the Board of Directors.

Authorized Directors on Behalf of the Company

Directors authorized to sign on behalf of the Company consisted of Ms. Wanvimol Chotipuech, Mr. Siripong Sutharoj, Mrs. Jirapan Chairoj, Mr. Chakkris Uthayophas. Binding agreements must be signed by any two directors and affixed with the Company's seal.

Duties and responsibilities of the Board of Directors

In addition to the obligatory duties and responsibilities stated by the Public Limited Company Act B.E. 2535, the Company has stipulated additional duties and responsibilities of the Board of Directors in section 26 of its Articles of Association. Apart from general legal requirement, the Company's Board of Directors has its duties and responsibilities within the following scopes:-

1. To manage the Company, with honesty and care to protect the Company's benefits, in accordance with laws, and the Company's objectives and articles of association, as well as legitimate shareholders' meeting resolutions.

2. To set the Company's goal, direction, policy, plan, and budget; and to control and supervise the administrative and management duties of the Board of Executive Directors to be in accordance with the assigned policy. Exceptions are made on the matters required by laws to obtain prior approval of the shareholders' meeting, which are capital increase, capital reduction, debenture issuance, a sale or transfer of all or substantial part of the Company's business to any other person, a purchase or acceptance of transfer of any other company's business to be owned by the Company, an amendment of in the Memorandum or Articles of Association of the Company, etc.

3. The Board of Directors may appoint a number of directors, as it deems appropriate, to become members of the Board of Executive Directors in order to perform duties assigned by the Board of Directors, and appoint one of the Executive Directors as Chairman of the Board of Executive Directors. The Executive Director is entitled to receive remuneration and bonus as resolved by the Company's Board of Directors, without prejudice to his/her rights to other remunerations and benefits under such positions as director or employee of the Company.

4. The Board of Directors may appoint any person to undertake the Company's business under its supervision; or may give the person, within a specific timeframe, authority over any execution that is deemed appropriate by the Board of Directors. The Board of Directors may cancel, revoke, change, or modify the authority already given at any time.

5. To consider, examine and approve the Company's risk management policies.

6. To consider and approve organizational structure that includes a working unit responsible for monitoring and managing the Company's risks, so as to ensure compliance with criteria set by the Company.

7. To formulate a risk management system suitable for type of risks and size of corporate transactions.

Moreover, section 27 of the Company's Articles of Association prohibits any director from undertaking a similar business to the Company's in a competitive nature, or being a partner of any ordinary partnership, or a general partner of any limited partnership, or a director of any company that undertakes a similar business to the Company's in a competitive nature. This applies no matter whether such action is taken for his/her own or other person's benefit, except that the director has informed the shareholders' meeting about such involvement before being appointed as director.

Selection of Directors

The Nomination Committee has not been appointed, the Company's Board of Directors is then responsible for selecting and proposing nominees for directorship to the shareholders' meeting for approval, considering that such persons are qualified in terms of knowledge, competence, experience, and devotion that could benefit the Company, as well as do not have any prohibited characteristics, including to have minimum qualifications under the criteria of Securities and Exchange Commission's criteria. At least one-third of the Company's Board of Directors must be independent directors, which must not less than 3.

As of December 31, 2009, the Company's Board of Directors consisted of 7 directors, 1 of which represented the major shareholder, the Siam Industrial Credit PCL, 3 were executive directors, and 3 were independent directors.

Qualifications and Prohibited Characteristics of the Company's Directors

Qualifications and prohibited characteristics of the Company's directors are set in accordance with the Securities and Exchange Commission's, Notification on Qualifications and Prohibitions of the Executives of Securities Business and Derivatives Business, stating that the person:-

(1) Must not be the person who has been judicially declared by the court order to go into receivership, become bankrupt, be an incompetent or a quasi-incompetent person;

(2) Must not be the person who appears in the unqualified executive list under the Stock Exchange of Thailand's regulations;

(3) Must not be filed under an impeachment process or a criminal legal proceedings by any legal authorities on a charge of unjust securities or derivatives trading, or any business management that appears to be deceiving, fraudulent, or dishonest;

(4) Must not be in the prohibition period against being or performing duties as a director, a manager, a person with management's authorization, or an advisor of financial institutions;

(5) Must not be in the observance period imposed by the Office's order to stop, terminate, or refrain from performing any position or any type of works connecting to securities business or derivatives business;

(6) Must not be in the effective period imposed by the Office's order to withdraw his/her name from executive list of securities issuer companies, or to reject disclosure of his/her name in the executive list of securities issuer companies due to some prohibited characteristics;

(7) Must not be in the effective period imposed by legally qualified foreign authority's order to stop, terminate, or, refrain from performing any position, or any type of works comparable to those of personnel under securities or derivatives business;

(8) Unless an exemption has been granted by the SEC, has never been a director, a manager, or a person with power of management of a financial institution, and took part in or had joint responsibility in causing damage to the financial institution which had its license revoked; had been taken over been suspended because its status or

operation rehabilitation plan was not approved by the relevant governing body of that particular financial institution or by the committee of the Financial Sector Restructuring Authority; or had been ordered to correct its damaged financial status by capital reduction and subsequent capital increase with the assistance of governmental authorities or financial institutions;

(9) Has never been, by a final court judgment, convicted of an offence related to unjust practices concerning securities or derivatives trading; or an offence related to any business management that appears to be deceiving, fraudulent, or dishonest; or has been fined on these offences;

(10) Bears no reasonable cause to believe that he/she engages or had engaged in malpractice of the duty that requires to be performed with honesty and impartiality to clients in the securities business or other financial service business; or assists or had assisted any other person to do so;

(11) Has never been imprisoned by the a court judgment which is final for an offence related to property committed with dishonest intent;

(12) Has never been a director, a manager, or a person with power of management of a financial institution that had its license revoked;

(13) Has never been a director, a manager, or a person with power of management of any other securities company;

(14) Has never been removed from a position of chairman, director or manager in accordance with Section 144 or Section 145 or in accordance with the provisions of other laws;

(15) Is not a political official;

(16) Is not a government official with responsibility to supervise securities companies, an officer of the Bank of Thailand or of the Office;

(17) Is not a manager or a person with power of management of a partnership or a limited company in which he/she or any such person or partnership or limited company as specified in Section 258(1), (2), (3), (4), (5) or (6) is a partner or a shareholder;

(18) Is not a government official with responsibility to supervise derivatives business operators or financial institutions;

(19) Bears no reasonable cause to believe that he/she engages or had engaged in practices lacking code of conduct or standards, as prescribed by authorities or associations in the securities business, in performing the duty related to securities business; or assists or had assisted any other person to do so;

(20) Bears no reasonable cause to believe that he/she engages or had engaged in dishonest or fraudulent practices against other persons; or assists or had assisted any other person to do so;

(21) Bears no reasonable cause to believe that he/she engages or had engaged in practices being unjust to or taking advantage of investors; or assists or had assisted any other person to do so;

(22) Bears no reasonable cause to believe that he/she engages or had engaged in practices deliberately presenting false information on material matters or concealing material facts that should be stated in any document to be compulsorily disclosed to the public or submitted to the SEC Office or to other authorities governing financial institutions; or assists or had assisted any other person to do so;

(23) Bears no reasonable cause to believe that he/she neglects or had neglected to exercise due supervision to prevent any juristic person or company, in which he/she has a power of management, or any operator under his/her supervision (if any) from undertaking or refraining from any action that is in violation of or against the Securities and Exchange Act or its corresponding announcements, and that may cause the instability of the securities business as a whole, or a damage to reputation, status, business operation or customers of that specific business.

Remark: No. (13) Exempt Cross Director with approval from the Capital Market Supervisory Board.

Qualifications of the SSEC Independent Director

Qualifications of the Company's independent director are defined in conformity with the criteria of the Capital Market Supervisory Board as follows:-

1. Holding shares not more than one percent of the total shares with voting right of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person. Such shareholding shall include the shares held by related persons of such independent director.

2. Not being or having been an executive director, employee, staff, or advisor who receives regular salary; or a controlling person of the Company, its parent company, subsidiary, affiliated company, subsidiary of the same level, major shareholder or controlling person of the Company, unless the foregoing status has ended not less than 2 years before taking up the position. Nevertheless, such prohibited characteristics exclude the person who had been a government official or an advisor to any government organization that is the Company's major shareholder or controlling person.

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the child - of the executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiary.

4. Having no business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholders, or controlling person of the Company in the manner which may impede his/her independent discretion; and neither being a shareholder holding more than 10% of the total shares with voting right (including those held by related persons); neither being nor having been a controlling person of those having business relation with the Company, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, unless the foregoing characteristic has ended for not less than 2 years before taking up the position.

Business relationships above shall include any normal commercial transaction in business undertaking; a rental or lease of immovable property; a transaction relating to assets or services; a grant or receipt of financial assistance via lending, borrowing or guarantee; an offer of assets as collateral as well as any similar action that results in the Company or its counterparty being indebted to the other for the amount of 3% of net tangible asset or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning Criteria of Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences.

5. Not being or having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person, and not being a shareholder holding more than 10% of total shares with voting right (including those held by related persons), controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years before taking up the position.

6. Not being a professional advisor of any kind which includes legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, and not being a shareholder holding more than 10% of total shares with voting right (including those held by related persons), controlling person, or partner of the professional advisor, unless the foregoing relationship has ended not less than 2 years before taking up the position.

7. Not being a director appointed as a representative of the Company's directors, its major shareholder, or shareholder related to major shareholders.

8. Not undertaking any business similar to or competing with that of the Company to a significant extent, or not being a partner holding shares in a partnership exceeding 10%, or an executive director, employee, staff, or advisor who receives regular salary from or has more than 1% shareholding in any other company that undertakes any business similar to and competing with that of the Company or of its subsidiary to a significant extent.

9. Not having any characteristics that make him/her incapable of expressing independent opinions with regard to the applicant's business affairs.

Process of Director Appointment

The Company's Board of Directors consists of at least 5 directors. Each director is appointed by the shareholders' meeting and must receive approving votes for more than half of the total voting rights held by shareholders who attend the meeting, through the following process:-

1. Each shareholder will have 1 voting right per 1 share.
2. Each shareholder will have to exercise all the voting rights as in 1. to elect one or more person as a director, but the votes cannot be divided to give to any director more or less than the other.
3. Persons receiving the highest number of approving votes will be elected as directors in a respective order, according to the number of positions to be filled at that time. In case of a tied vote for the last available position in that particular election, the Chairman of the meeting will cast the deciding vote.

In every annual ordinary shareholder's meeting, one-third of the directors will have to retire from office. If the number of retiring directors is not a multiple of 3, the number of directors nearest to one-third must retire. During the first and second year after registering as a public company limited, the directors will retire by drawing lots. In subsequent years, the directors who hold office the longest will retire next. In case there are directors who have equal length of term in excess of the number required, the retirement will be decided by drawing lots. The retired directors may be re-elected.

2. The Board of Executive Directors

As of December 31, 2009, the Board of Executive Directors consisted of 4 members as follows:-

- | | | |
|-----------------|------------|-------------------------------------|
| 1. Ms. Wanvimol | Chotipuech | Chairman of the Executive Directors |
| 2. Mr. Siripong | Sutharoj | Executive Director |
| 3. Mrs. Jirapan | Chairoj | Executive Director |
| 4. Mr. Chakkris | Uthayophas | Executive Director |

With Mrs. Orapim Chalarug as the Secretary to the Board of Executive Directors.

Duties and Responsibilities of the Board of Executive Directors

1. To consider the annual budget allocation as proposed by the Management before presenting to the Company's Board of Directors for approval. This also includes consideration for approval on the change and addition of the annual expenditure budget during the lapse between Board of Directors' meetings. The approval of such will be presented to the next Board of Directors' meeting for acknowledgment.

2. To approve payment in excess of the authorized limit of the Managing Director; and also to stipulate the expense limit of the Managing Director.

3. To approve important investment expenses that have already been specified in the annual expenditure budget, or have already been approved in principle by the Company's Board of Directors.

4. To approve opening of customers' securities trading accounts and transactions concerning the securities business; and to appoint authorized persons with specific authority to act thereon.

5. To approve the appointment of persons with authorized signature to sign the Company's cheques, or payment documents as well as documents concerning shares, debentures, various contracts, accounting/financial documents, and other general documents.

6. To act as an advisory body for the Management on policies concerning finance, marketing, human resources administration, and other operations.

7. To distribute financial reward, as approved by the Company's Board of Directors, to the employees or staff of the Company or of other persons working for the Company.

8. To approve appointment, transfer, and termination of Management member at the Assistant Managing Director level.

9. To consider, examine and comment on the Company's risk management policies before proposing them for the Board of Directors' approval.

10. To monitor risk management activities to ensure that the corporate risk level is acceptable and meets the set criteria.

For the power authorization stated above, the Board of Executive Directors has to follow all regulations that have been approved by the Company's Board of Directors. The Board of Executive Directors cannot approve any item that may provide beneficial interests to them or to a person of conflicts of interest, or may cause conflicts of interest in any other nature with the Company or its subsidiary. Any item of such item must be submitted to the Company's Board of Directors for consideration.

Apart from the abovementioned duties, the Board of Executive Directors is not permitted to perform any other activities, unless it is assigned by the Company's Board of Directors on a case by case basis.

Power authorization from the Company's Board of Directors

The Company's Board of Directors' meeting no.1/2549 on March 2, 2006, in which the Independent Directors and Audit Committee members had also attended, had considered the stipulation of the Company's internal authorizations, which could be categorized into 3 parts as:-

1. Transactions on the securities trading brokerage / derivatives business.

2. Other general transactions.

3. Transactions concerning human resources and administration, including authorization to the Managing Director. The meeting had amended conditions on authorization for various transactions, so as to make them more clear cut, and also stipulated that any authorized person was not allowed to approve transactions in which he/she or a person of that might have his/her own or other person's conflict of interests may have beneficial interests.

Selection of Executive Directors

The Company's Board of Directors appoints a number of directors, as it deems appropriate, to be sit in the Board of Executive Directors.

3. The Audit Committee

The Audit Committee consists of 3 independent directors, having a term of office concurrent with their directorship. As of December 31, 2009, the Audit Committee members were as follows:-

- | | | |
|-----------------|----------------|--------------------------|
| 1. Mr. Yothin | Pibulkasetkij | Audit Committee Chairman |
| 2. Mr. Apichai | Anukularmphai | Audit Committee Member |
| 3. Mr. Nophadol | Yingchatchaval | Audit Committee Member |

Mr. Yothin Pibulkasetkij has been skilled, competent and experienced in reviewing the reliability of the Company's financial statements. Mr. Nakorn Lampavas, the Executive Vice President of Audit and Compliance Division, was the Secretary to the Audit Committee.

Duties and Responsibilities of Audit Committee

1. To review the Company's financial reporting process, so as to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient; to determine an internal audit unit's independence; as well as to approve the appointment, transfer and termination of the chief of an internal audit unit or any other unit in charge of an internal auditing;
3. To review the Company's compliance with the Securities and Exchange Act, the Stock of Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor; to propose such person's remuneration; as well as to attend a meeting, without the presence of the Management, with the auditor at least once a year,
5. To review the connected transactions, or the transactions that may constitute conflicts of interest, so that they are in compliance with the laws and the Stock Exchange's regulations. This is to ensure that such transactions are reasonable and for the highest benefit of the Company;
6. To prepare and disclose, in the Company's annual report, an Audit Committee's report. The report must be signed by the Audit Committee Chairman and contains at least the following information:
 - 6.1 An opinion on the accuracy, completeness and reliability of the Company's financial reports.
 - 6.2 An opinion on the adequacy of the Company's internal control system.
 - 6.3 An opinion on the compliance with the Securities and Exchange Act, the Stock Exchange's regulations, or the laws relating to the Company's business.
 - 6.4 An opinion on the suitability of an auditor.
 - 6.5 An opinion on the transactions that may constitute conflicts of interest.
 - 6.6 The number of the Audit Committee meetings held, and the attendance of each Committee member.
 - 6.7 An opinion or general observation the Audit Committee receives from its discharge of duties in accordance with the Charter.
 - 6.8 Other items which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. To review the Charter of the Audit Committee at least once a year, and report the review result to the Board of Directors.

8. To review and approve the Charter of the internal audit and compliance unit, as well as to revise the said Charter at least once a year.

9. If the Board of Directors or the Management fails to command rectification on transactions or acts that may materially affect the Company's financial status and operating results, the Audit Committee may report the occurrence of such to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

10. To perform any other acts as assigned by the Company's Board of Directors, with the consent of the Audit Committee.

Selection of Audit Committee

The Company has stipulated that all the members of its Audit Committee are independent directors, in the proportion of not less than one-third of the Board of Directors. The Committee has 3 members at the minimum, and 1 of which is skilled, competent and experienced in financial statement review. Number and qualifications of the Audit Committee are in accordance with the criteria of the Office of Securities and Exchange Commission's notification, and the Committee has scope of responsibilities as specified by the minimum criteria of the Stock Exchange of Thailand.

The Audit Committee was appointed, together with the specifying of its scope, duties and responsibilities, by the Board of Directors' Special Meeting no.1/2002 on April 4, 2002. Subsequently, the Board of Directors' Meeting no.4/2008 on September 4, 2008 had resolved to amend the duties and responsibilities of the Audit Committee, so as to be in line with the new criteria of the Stock Exchange of Thailand amended in 2008.

No. of meeting held in 2009 on Board of Directors, Executive Directors and the Audit Committee and no. of attendance in each meeting.

		No. of Attendance / Total Meetings (times)			
Director's Name*		Board of Directors Meeting	Executive Committee Meeting	Audit Committee Meeting	Compensation Committee Meeting
Ms. Wanvimol	Chotipuech	7/10	2/6	-	1/1
Mr. Chanin	Roonsamrarn	3/10	4/6	-	-
Mr. Yothin	Pibulkasetkij	5/10	-	1/4	1/1
Mr. Paichitr	Rojanavanich	4/10	-	3/4	-
Mr. Apichai	Anukularmphai	5/10	-	1/4	1/1
Dr. Kopr	Kritayakirana	4/10	-	3/4	-
Mr. Nophadol	Yingchatchaval	5/10	-	1/4	1/1
Mr. Kriang	Kiatfuengfoo	4/10	-	3/4	-
Mr. Wichet	Warakul	7/10	5/6	-	-
Mr. Siripong	Sutharoj	10/10	6/6	-	-
Mrs. Jirapan	Chairoj	9/10	6/6	-	-
Mr. Chakkris	Uthayophas	10/10	6/6	-	-

* The change in the Board of Directors during the year 2009 :

Directors resigned in 2009	Effective Date	Directors appointed in 2009	Effective Date
Mr. Chanin Roonsamrarn	30 May 2009	Ms. Wanvimol Chotipuech	5 June 2009
Mr. Paichitr Rojanavanich	26 August 2009	Mr. Yothin Pibulkasetkij	31 August 2008
Dr. Kopr Kritayakirana	26 August 2009	Mr. Apichai Anukularmphai	31 August 2008
Mr. Kriang Kiatfuengfoo	26 August 2009	Mr. Nophadol Yingchatchaval	31 August 2008
Mr. Wichet Warakul	6 November 2009		

4. Standing Committees

The Company's Board of Directors, Executive Directors, and Managing Director have appointed various committees to help studying details and screening the procedures necessary in the business operation with details as follows:-

4.1 The Compensation Committee

As of December 31, 2009, the Compensation Committee consisted of 4 members as follows:-

1	Ms. Wanvimol	Chotipuech	Chairman
2	Mr. Yothin	Pibulkasetkij	Member
3	Mr. Apichai	Anukularmphai	Member
4	Mr. Nophadol	Yingchatchaval	Member

With Mrs. Jirapan Chairroj, Managing Director and Chief Operating and Financial Officer, as the Secretary.

Duties and responsibilities of Compensation Committee

1. To propose policies and regulations concerning remuneration to the Company's Board of Directors, Executive Directors, and the Management.
2. To consider the stipulation of employees' annual remuneration and salary adjustment.
3. To consider the budget for the adjustment of annual remuneration and special living allowance.

Selection of Compensation Committee

The Compensation Committee was appointed by the Board of Directors' Special Meeting no. 5/2002 on December 23, 2002. Members of the Committee are selected from non-executive directors, most of them are independent directors.

4.2 The Risk Monitoring Committee

As of December 31, 2009, the Risk Monitoring Committee consisted of:-

1.	Mr. Siripong	Sutharoj	Chairman
2.	Mrs. Jirapan	Chairroj	Member
3.	Mr. Chakkris	Uthayophas	Member
4.	Mr. Prasitsin	Witsawanan	Member
5.	Mr. Kanog	Wongsarawit	Member
6.	Ms. Chutima	Dejtiprapab	Member
7.	Mrs. Orapim	Chalarug	Member
8.	Mr. Saravut	Tachochavalit	Member
9.	Mr. Kiatkong	Decho	Member
10.	Mrs. Amporn	Chiammunchit	Member

11. Mr. Kant	Athatamsuntorn	Member
12. Mr. Nakorn	Lampavas	Member
13. Mr. Pramote	Amarapiban	Member and Secretary

Scope and Responsibilities of Risk Monitoring Committee

1. To prepare and set risk management policies on various areas, so that they are in conformity with the Company's business strategies. Also, the Committee exercises a supervision via a process of identifying, assessing and monitoring corporate risks to ensure that they are appropriate with the risk level and comply with the Risk Based Approach of supervision of securities companies. Due reports are proposed to authorized persons for approval.

2. To monitor risk management practice to ensure that the corporate risk level is acceptable.

3. To revise the Company's risk management policies and propose them to authorized persons for approval, at least once a year.

Selection of Risk Monitoring Committee

The Risk Monitoring Committee was appointed by the resolution of the Board of Directors' Meeting No. 7/2009 on October 26, 2009. The Committee consisted of the Managing Directors, Senior Executive Vice President, Chiefs of business units (securities/derivatives/investment banking), and Chiefs of business support units.

4.3 The Credit Committee

As of December 31, 2009, the Credit Committee consisted of:-

1. Mr. Siripong	Sutharoj	Chairman
2. Mrs. Jirapan	Chairoj	Member
3. Mr. Chakkris	Uthayophas	Member
4. Mr. Prasitsin	Witsawan	Member
5. Mr. Pramote	Amarapiban	Member and Secretary

Scope and Responsibilities of Credit Committee

1. To consider and give suggestions on account opening and trading limit of customers, which are to be proposed to authorized persons for approval.

2. To consider credit risk management policy, to seek approval on the matter from the Executive Committee, and to submit reports to the Risk Monitoring Committee. Also, the policy must be reviewed on a yearly basis, or upon circumstantial changes.

3. To supervise and ensure compliance with the stipulated credit risk management policy.

Selection of Credit Committee

The Credit Committee was appointed by the resolution of the Board of Directors' Meeting No. 7/2009 on October 26, 2009. The Committee consisted of the Managing Directors, Senior Executive Vice President, persons designated by the Board of Directors, Chief of Securities Business Group, and Chief of the Risk Management Division.

4.4 The Investment Committee

As of December 31, 2009, the Investment Committee consisted of:-

- | | | | |
|----|--------------|------------|----------|
| 1. | Mr. Siripong | Sutharoj | Chairman |
| 2. | Mrs. Jirapan | Chairoj | Member |
| 3. | Mr. Chakkris | Uthayophas | Member |

With Mrs. Amporn Chiammunchit, Senior Vice President, Accounting and Finance Division as the Secretary.

Scope and Responsibilities of Investment Committee

1. To set the corporate investment purposes and investment policies under the policy framework approved by the Executive Committee and the Board of Directors.
2. To set the criteria, conditions and procedure for investment, so as to be in accordance with circumstances, situations, and the Company's goals.
3. To supervise and ensure that the Company's investment comply with the investment policies and is at a level appropriate with the returns and market risk management.
4. To prepare appropriate liquidity management policies and plans, as well as to develop a control system compatible, under various circumstances, to the policies and plans.
5. To monitor and assess market and liquidity risk management to ensure the compatibility with changing environment. Within the scope, the investment policies are to be reviewed for their compliance with the Company's regulations.

Selection of Investment Committee

The Investment Committee was appointed by the resolution of the Board of Directors' Meeting No. 7/2009 on October 26, 2009. The Committee consisted of the Managing Directors, Senior Executive Vice President, persons designated by the Board of Directors, with Chief of Accounting and Finance Division as its Secretary.

4.5 The Underwriting Committee

As of December 31, 2009, the Underwriting Committee consisted of:-

- | | | | |
|----|-----------------|------------|----------|
| 1. | Mr. Siripong | Sutharoj | Chairman |
| 2. | Mrs. Jirapan | Chairoj | Member |
| 3. | Mr. Chakkris | Uthayophas | Member |
| 4. | Mr. Prasitsin | Witsawanan | Member |
| 5. | Ms. Ketsaraporn | Chanaphan | Member |

With Mr. Suksant Bunchaliao, Business Development officer as the Secretary.

Scope and Responsibilities of Underwriting Committee

To consider and give suggestions on the underwriting transactions, so that they are in accordance with the Company's Board of Directors' policy.

Selection of Underwriting Committee

The Underwriting Committee was established by the approving resolution of the Company's Board of Directors' meeting No.4/2002 on May 29, 2002. It consisted of members who hold positions in directly related working units, which were the Managing Directors, Senior Executive Vice President, assigned directors, Chief of Securities Business Group, and Chief of Securities Underwriting Unit.

5. The Management Committee

The executives under the definition of the Office of the Securities and Exchange Commission includes the Managing Director, and the first four directors next to the Managing Director, including the Vice President of Accounting and Finance Division. As of December 31, 2009, the Management Committee of the Company consisted of executives as follows:-

1.	Mr. Siripong	Sutharoj	Managing Director and Chief Executive Officer
2.	Mrs. Jirapan	Chairaj	Managing Director and Chief Operating and Financial Officer
3.	Mr. Chakkris	Uthayophas	Senior Executive Vice President
4.	Mr. Prasitsin	Witsawan	First Executive Vice President - Securities Business Group 1 and 2
5.	Mr. Kanog	Wongsarawit	Executive Vice President - Business Development Group
6.	Ms. Chutima	Dejtiprapab	Executive Vice President - Operation Group
7.	Mrs. Orapim	Chalarug	Executive Vice President - Corporate Service Group
8.	Mr. Nakorn	Lampavas	Executive Vice President - Audit and Compliance Division
9.	Mr. Kant	Athatamsuntorn	Executive Vice President - Information Technology Division
10.	Mr. Supot	Lapchayanon	Executive Vice President - Retail Business Division 3
11.	Mrs. Amporn	Chiammunchit	Senior Vice President - Accounting and Finance Division

Selection of Executives

The Board of Executive Directors shall consider the selection and screening of qualified persons to be appointed as the Company's executives.

Compensation for Director and Executive

The Company's Board of Directors assigns the Compensation Committee to consider the compensation policy for Director and Executive. The compensation must be at the competitive rate with similar business size in the same industry, and also has to take into considerations the role, duty, and responsibility of each Director and Executive.

1. Monetary Compensation

● Director

The Compensation Committee presents the compensation payment's policy in the form of meeting allowance and bonus through the Company's Board of Directors for approval in the shareholders' meeting.

Director's Remuneration had received approval in the general annual shareholders' meeting of 2004 on March 25, 2004, which would be continuously effective until otherwise declared as invalidated or further change. Details on the meeting allowances were as follows:-

Basic remuneration for all Directors	20,000 Baht/month
Remuneration for Chairman	15,000 Baht/month
Remuneration for Chairman of Audit Committee	20,000 Baht/month
Remuneration for Audit Committee Member	15,000 Baht/month
Remuneration for Chairman of Compensation Committee	15,000 Baht/time
Remuneration for Compensation Committee Member	10,000 Baht/time

Director's Bonus had received approval in the general shareholders' meeting No. 2/2542 on May 14, 1999 as Director would be paid the Director's bonus at 1% of the paid dividend, and to be distributed among Board of Directors. This would be continuously effective until otherwise declared as invalidated or further change.

● Executives

The Compensation Committee presents the compensation payment's policy for the executive in the form of salary and bonus through the Company's Board of Directors for approval. In this category, the executive means the Managing Director, and the first four Executives next from the Managing Director.

At the end of December 31, 2009, the Company had paid remuneration to Directors and Executives as follows:-

Position	Type of Compensation	2009			
		No. of Persons	Amount (Baht)	No. of Persons	Amount (Baht)
Directors	Director Fee	12	2,060,000.00	8	2,100,000.00
Directors	Bonus	-	-	8	*191,164.50
Audit Committee	Director Fee	6	600,000.00	3	600,000.00
Compensation Committee	Director Fee	4	45,000.00	4	45,000.00
Executives	Salary	11	24,944,052.00	11	24,216,255.00
Executives	Bonus	11	1,949,234.00	10	*3,659,500.00

* From Performance 2007

Directors' remuneration in 2009 Classified by Individual

Director's Name*		Meeting Allowance (Baht)			Total (Baht)
		Director	Audit Committee	Compensation Committee	
Ms. Wanvimol	Chotipuech	245,000	-	15,000	260,000
Mr. Chanin	Roonsamrarn	175,000	-	-	175,000
Mr. Yothin	Pibulkasetkij	80,000	80,000	10,000	170,000
Mr. Paichitr	Rojanavanich	160,000	160,000	-	320,000
Mr. Apichai	Anukularmphai	80,000	60,000	10,000	150,000
Dr. Kopr	Kritayakirana	160,000	120,000	-	280,000
Mr. Nopadol	Yingchatchaval	80,000	60,000	10,000	150,000
Mr. Kriang	Kiatfuengfoo	160,000	120,000	-	280,000
Mr. Wichet	Warakul	200,000	-	-	200,000
Mr. Siripong	Sutharoj	240,000	-	-	240,000
Mrs. Jirapan	Chairoj	240,000	-	-	240,000
Mr. Chakkris	Uthayophas	240,000	-	-	240,000
Total		2,060,000	600,000	45,000	2,705,000

* The change in the Board of Directors during the year 2009 :

Directors resigned in 2009			Effective Date	Directors appointed in 2009			Effective Date
Mr. Chanin	Roonsamrarn	30 May 2009		Ms. Wanvimol	Chotipuech	5 June 2009	
Mr. Paichitr	Rojanavanich	26 August 2009		Mr. Yothin	Pibulkasetkij	31 August 2008	
Dr. Kopr	Kritayakirana	26 August 2009		Mr. Apichai	Anukularmphai	31 August 2008	
Mr. Kriang	Kiatfuengfoo	26 August 2009		Mr. Nopadol	Yingchatchaval	31 August 2008	
Mr. Wichet	Warakul	6 November 2009					

2. Other Compensation

● Director

- None -

● Executives

The Company had paid other compensations, apart from salary and bonus to the Executives, in the form of provident fund which was in accordance with the Company's welfare policy.

	2009		2008	
	Number of Persons	Amount(Baht)	Number of Persons	Amount (Baht)
Executives	11	2,296,322.46	11	2,133,951.50

3. Compensation for Directors and Executives who were Directors and Executives Directors in the Subsidiary Companies

In 2009, the Company's Directors and Executive who held positions as Directors and Executive Directors in the Subsidiary Companies received remuneration payments as indicated in table below :-

Name*		Position in the Company	Position in the Subsidiary		Remuneration received from Subsidiary	
			SAC	SSECAM	SAC	SSECAM
Ms. Wanvimol	Chotipuech	Chairman	Chairman	-	-	-
Mr. Paichitr	Rojanavanich	Audit Committee Chairman	Chairman	-	-	-
Mr. Chanin	Roonsamrarn	Chairman	Executives Committee Chairman	-	-	-
Mr. Wichet	Warakul	Director	Director	-	-	-
Mr. Siripong	Sutharoj	Managing Director	Director	Director	-	-
Mrs. Jirapan	Chairoj	Managing Director	Director	-	-	-
Mr. Chakkris	Uthayophas	Senior Executive Vice President	Director	-	-	-
Mr. Nakorn	Lampavas	Executive	-	Chairman	-	-

Remark : SAC : SICCO Advisory Co., Ltd.
SSECAM : SSEC Assets Management Securities Co.,Ltd.

* The change of Directors of SICCO Advisory Co.,Ltd. in 2009.

Directors resigned in 2009			Effective Date	Directors appointed in 2009			Effective Date
Mr. Chanin	Roonsamrarn	30 May 2009		Ms. Wanvimol	Chotipuech	26 August 2009	
Mr. Paichitr	Rojanavanich	26 August 2009					
Mr. Wichet	Warakul	6 November 2009					



Internal Audit

In 2009, the Board of Directors Meeting and the Audit Committee had regulated to carry out an assessment of the adequacy of the Company's internal control system according to the Stock Exchange of Thailand's principles. It was conducted by assessing adequacy of the Company's internal control systems in various areas, such as organizational and environmental measures, risk management, control on the Management's operations, information technology and communications, and monitoring systems. In addition, risk assessment criteria had been amended in accordance with the Standard for the Professional Practice of the Internal Auditing issued by the Institute of Internal Auditors (IIA), thus enabling a clear, transparent and efficient system of informational control and audit reporting. The Audit Committee reviewed and approved the audit plan, as well as considering significant issues and problems found in the auditing by the Audit and Compliance Division and by external auditors. The audit results were reported to the Management and executives of related business units, so that due improvements and corrections could be made for more prudence in operations. In this regard, the Board of Directors Meeting and the Audit Committee considered and affirmed that the Company had adequate internal control systems in those areas.

Corporate Governance

The Company always pays attention to implementing the principle of good corporate governance for business management. The Company's Board of Directors has prescribed, in written form, the policy of good corporate governance; the contents of which encompass the principle of good corporate governance set by The Stock Exchange of Thailand. In 2009, the Company followed the principle of good corporate governance in sections as follows:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Role of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board of Directors

Section 1: Rights of Shareholders

The Company recognizes and respects rights of the shareholders' ownership. In this regard, it avoids any actions that violate or derogate legitimate fundamental rights of the shareholders; i.e. the right to buy, sell, or transfer shares; to get a fair share in the Company's profit; to obtain adequate information on the Company, necessary criteria and procedures in attending the meeting, as well as sufficient information for consideration in each agenda item, in advance of the meeting and in a timely manner; to participate and vote in the shareholder meeting to elect or remove members of the board, appoint the auditor, and make decisions on any transactions that affect the Company such as dividends payment, prescriptions and amendments to the Company's articles of association and memorandum of association, capital increases or decreases, and approval of extraordinary transactions; as well as to allow the shareholders to propose their agenda items or submit their queries with regard to the Company in advance of the meeting date.

In 2009, the Company encouraged the shareholders to exercise their rights, especially in the annual general shareholder meeting, where shareholders were to have sufficient information and time on the transactions to be decided in the shareholder meeting. The Company thus submitted the shareholders its invitation letter specifying date, time, venue, and agenda items, together with details of each agenda item, 2008 Annual Report, the Company's articles of association concerning the shareholder meeting, proxy form B - as set by the Ministry of Commerce - whereas forms A or C can be downloaded from the Company's website, name lists and profiles of all the three independent directors as optional for the shareholders proxy, proxy procedure, clarifications about requisite documents to be presented prior to attending the meeting, and the map of Nai Lert Park Bangkok, a Raffles International Hotel,

which was the meeting venue. All of the above-mentioned documents were dispatched to the shareholders on April 7, 2009; thereby the shareholders had time to consider the meeting documents in detail for 22 days altogether, which is more than the period required by laws. The invitation letter and its supporting documents were also posted on the Company's website since March 30, 2009, one month before the meeting date.

In the 2009 Annual General Shareholder Meeting on April 29, 2009; 7 directors along with the executives, the auditor, and the Company's legal advisor were present. The Company did not deprive the shareholders of their right to authorize the proxies to participate in the meeting on behalf of them, did not forbid the shareholders who arrived at the venue late from attending the meeting, and did not add or change the order of agenda items. In addition, before the meeting began, the Chairman informed the shareholders of the voting procedure, and allocated sufficient time for the shareholders to express their opinions or ask any questions about each agenda item. Once certain shareholders expressed their opinions or asked the questions about their unclear issues; the Chairman, the Board of Directors, and the related parties would answer and clarify those queries to their satisfaction. The meeting lasted 55 minutes. Besides allocating time to the shareholders in the meeting, the Board of Directors also informally conversed with the shareholders both before and after the meeting, in order to obtain their suggestions and exchange opinions with one another.

The Company submitted to the SET the minutes of the shareholder meeting in details, the vote results, as well as the queries on each agenda items, within 14 days after the shareholder meeting date. The minutes was posted on the Company's website since May 12, 2009.

Section 2: Equitable Treatment of Shareholders

The Company recognizes the importance of equitable treatment of shareholders. That is, it allows the shareholders to propose the issues to be added as agenda items and/or to nominate candidates for director positions. The shareholders unable to participate in the meeting themselves could authorize the proxies to do so on their behalf. This could be done by means of the proxy forms drafted by Ministry of Commerce and its complete attachments. The attending shareholders are encouraged to submit voting card for every agenda item. Particularly in the agenda of director election, shareholders are to elect directors one by one. The Company does not intend to add any agenda items without prior notification.

The Company has set the preventive measures against the use of inside information by the Board of Directors, the executives, and its employees for their own benefits; and against violation of such exploitation of inside information. Respective regulations resolved by the Board of Directors have been announced on the Company's intranet as follows:

- The directors, the executives, including their spouse and minor children, are prohibited to use inside information for buying, selling, transferring or receiving transfer of the Company's securities prior to disclosure of such information to the public, especially within one month prior to public disclosure of the Company's financial statements. In addition, after the information was disclosed, the above-mentioned parties should refrain from buying or selling the Company's securities until the informed public has sufficient time to evaluate it (3 days after the disclosing date).
- The directors and the executives are required to report their securities holdings in the Company according to the notification of the Office of the Securities and Exchange Commission No. Sor-Jor 14/1997 on Preparation and Disclosure of Securities Holding Reports, and to the Penalty Provisions of the Securities and Exchange Act B.E.2535. They are required to submit their first securities holding report (Form 59-1) within 30 days after closing date of offering or being appointed. In addition, they are required to report to the Office of the Securities and Exchange Commission any changes in their securities holdings as a result of the buying, selling, transferring, or receiving

transfer of securities (Form 59-2), except upon acquisition of ordinary shares or preferred shares via right offering, shares from exercising of convertible securities, and shares receiving through inheritance, within 3 working days after the transaction date.

- o The directors and the executives are required to report their securities holdings in other enterprises, their directorship in other enterprises, and their related transactions.
- o The directors, the executives, and the employees of the Company, of the parent company, and of the subsidiaries are prohibited to buy securities. The Company is prohibited to make investment for the Company's accounts in securities underwritten or co-underwritten by the Company, or in securities of companies to which it has rendered financial advisory services; within the terms and conditions prescribed by the Company.
- o The executives and the employees are allowed to trade securities via the Company. They can open trading accounts of all types with the Company, except the account regarded as margin loans. However, the executives and the employees could request such exemption and permission to trade securities with other securities companies. Nevertheless, the request must be approved by the person of authority, and the account owners must allow such other securities companies to report their trading transactions to the Company.
- o The executives and the employees must not buy or sell the securities in which they have information affecting the unpublicized prices, or those within the scope of prohibited manners according to the notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, e.g. insider trading, front running, as well as being privy to the existing directives or the directives expected to impose on those securities.
- o The information to be acknowledged or utilized within a particular department is prohibited to be communicated to other units that need not or should not know such information.
- o The Company, by its underwriting unit, is prohibited to allocate securities to itself, the executives, the major shareholders, the controlling persons, the parent company, its subsidiaries, and related parties; nor to the persons to which a certain securities issuer is prohibited to allocate its newly issued securities - as pursuant to notification of the Office of the Securities and Exchange Commission on Subscription, Underwriting and Allocation of Newly Issued Securities; except for allocation of securities remaining from subscription.
- o The Company is prohibited to buy the shares underwritten by itself, or the securities possibly convertible to shares, or the non-voting depository receipt having securities underwritten by itself as a reference; since 5 working days before the date of fixing the offering price until the last offering date in a general case; or until the date on which the over-allotment agent could provide the full amount of over-allotted shares required for delivery or return, in case the underwritten securities are shares with greenshoe option.
- o The securities analysts are prohibited to trade securities being examined by them under the preparation of securities investment analysis reports or articles to be issued to its clients, unless those reports or articles have already been publicized for not less than 3 working days.
- o In case the employees fail to observe the abovementioned regulations, they will be subject to penalty of the Company, as the case may be and as determined by the Audit Committee and the Board of Directors.

In its 2009 Annual General Shareholder Meeting, the Company equitably treated every shareholder by encouraging, via the Stock Exchange of Thailand's electronic channel and the Company's website, shareholders to propose issues as agenda items and/or to nominate candidates for the director election in advance, that was from January 4, 2009 to

February 4, 2009, or for 1 month period. However, no shareholders proposed any issues to be added as agenda items and/or nominated any candidates for the director election. The Company also proposed its 3 independent directors as alternative proxies for the shareholders, and thus had their profiles attached to the invitation letter. Apart from that, in order to facilitate the shareholders' proxies on the meeting date, photocopiers and duty stamps were provided at the meeting venue. In this meeting, there were 33 shareholders attending in person, equivalent to 598,781 shares and 37 shareholders by proxies, equivalent to 452,849,073 shares, with no proxy to the Company's independent directors. On the agenda item of director election, the Company requested that the shareholders cast their votes for one director at time.

In 2009, there were no cases of the Company's directors, executives, and employees using inside information for their own benefits.

Section 3: Role of Stakeholders

The Company well recognizes that the stakeholders take significant part in its operations. In 2009, the Company had no disputes with any shareholders, clients, employees, business partners, creditors, and business competitors. The Company has set guidelines for equitable treatment of stakeholders in its code of business ethics.

1. Shareholders

The Company recognizes significance of shareholders, therefore treating them according to the provisions of the Public Limited Company Act, with a clear policy of dividend payment and good corporate governance principles. With regard to this, the Company has assigned the Office of Directors to promote the Company toward compliance with laws and good governance principles.

2. Clients

- o The Company regards its client's data and documents as important and confidential in business operation. It thus set up working procedures concerning client data management and document control.

- o The Company provides investment education sessions for its clients through continuous large-group and small-group trainings and seminars, the content of which covering investment principles in equity instruments and debt instruments, investment trend under different circumstances, and introduction of the Company's financial products. These aim to help the clients obtain knowledge and understanding of investments via various types of the Company's financial products. Analyses and reviews are publicized constantly, emphasizing on quality and suitability to each group of clients.

- o The Company has regulated internal criteria and procedures with regard to handling of client complaints, to be in line with the notification the SET's Board of Governors. Complaints may refer to accusations, or expressions of grievance or doubt, made in either verbal or written forms by clients or their representatives, with the intention to demand a compensation for their loss or any other damages, or to request a solution to their inconvenience. The Company has assigned the Office of Directors to handle client complaints.

3. Employees

- o The Company treats employees according to Labor Law, Social Security Law, Workmen's Compensation Law, Provident Fund Provisions and the Company' rules and regulations. The Human Resources Development Division is assigned to ensure that employees are treated in accordance with laws and regulations mentioned.

- o The Company encourages employees to keep a healthy body and mind through its Healthy Organization Program, which promotes employees' happiness in working, pleasant workplace, affection and unity among colleagues according to the guidelines of Thai Health Promotion Foundation (ThaiHealth), health check-up, health insurance and life assurance covering both employees' spouses and children. Housing loan benefits, in corporation with financial institutions, are also available.

- o The Company plans to arrange training courses for employees throughout the year to enhance business knowledge, to develop working skills, to instill into its employees qualifications that conform to corporate culture, and to increase employees' potentials for business competitiveness.

- o The Company offers remuneration rate appropriate to individual knowledge, competence, responsibility and performance, including provides its employees adequate benefits conforming to legal provisions and economic situation.

The Company and its employees had jointly registered on July 20, 1999 the incorporation of a provident fund in pursuance of the Provident Fund Act B.E.2530, under the name of The Registered Siam Sanwa Industrial Credit Public Company Limited Provident Fund. To guarantee employees certain assurance upon their termination of employment or retirement in the future, both the Company and employees pay monthly contributions to the Provident Fund, details as per the following contribution table:

Employment Period (Year)	% of Employee Salary	
	Employee Contribution	Company Contribution
Less than 3 years	3	5
Equal to 3 years but not over 4 years	5	8
Equal to 4 years but not over 5 years	5	9
5 years and over	5	10

4. Business Partners

The Company treats its business partners in good faith. Purchases of goods and services conform to commercial conditions and according to contracts entered with its business partners.

5. Creditors

The Company treats its creditors in compliance with binding contracts and related laws.

6. Competitors

The Company observes the fair competition rules without any improper conducts of harmful nature or damaging of competitors. Recruitment of marketing staff is in accordance with requirements of Association of Securities Companies and governing authorities.

7. Society

Attentive to its social and environmental responsibilities, the Company has continually run campaigns on energy saving in order to kindle in every employee the consciousness of conserving national resources.

In 2009, the Company organized various social activities, such as "Join Hands in Environmental Conservation" project to make employees and their families aware of the importance of conservation via coral planting and conservation of aquatic species at seaturtles conservation center, Chonburi. Other project was "SSEC Workout for Merit," where points accumulated from successful workouts were transformed into donations to the Home for the Multiple Handicapped Blind Children of the Christian Foundation for the Blind in Thailand under the patronage of H.M. the King.

Section 4: Disclosure of Information and Transparency

The Company recognizes the significance accurate, complete, prompt and transparent disclosure of financial and general information through easily accessed channels. Investors can use such information to support their investment decision, while shareholders can be informed of the Company's financial status and performance, thereby increasing their confidence and reflecting the actual value of the Company. The Company has assigned the Office of Directors to act as the medium in public relations and communicating with shareholders, investors, including those interested in the Company's business through the SET's electronic channel and the Company's website (www.ssec-online.com).

Nature of information disclosure determined by the Company are as follows:

1. Disclose of information according to accounting period and material events,
2. Disclose of roles and responsibilities of the Board of Directors and Sub-Committees, number of respective meetings organized, meeting attendance of each directors or sub-committee members,
3. Disclose of directors' and executives' remuneration,
4. Disclose of financial reports,
5. Disclose of Investor Relations' activities.

In 2009, the Company disclosed its financial and general information accurately, completely and promptly. Its financial information was disclosed immediately upon the Board of Directors' approval, which was sooner than legal requirement, in order to exhibit the Board's transparency. Information concerning responsibilities of the Board of Directors and Sub-Committees, number of respective meetings organized, and meeting attendance of individual director, including remuneration of each director and executive being a director of its subsidiaries - were disclosed in 2009 Annual Report and 2009 Annual Registration Statement.

The Board of Directors is responsible for the Company's consolidated financial statements and also the information in the Annual Report. The Audit Committee together with external auditors jointly examine accounting policy so as to ensure that the Company's and its subsidiaries' financial statements comply with the generally accepted accounting standards and with the notifications of the Office of the Securities and Exchange Commission. The Audit Committee's comments and report of the Board of Directors responsibilities' to the financial statement are stated in its 2009 Annual Report.

Section 5: Responsibilities of the Board of Directors

The Company's Board of Directors is comprised of qualified persons who possess knowledge, ability and experience in business undertaking. The Board of Directors is to determine vision, mission, strategies, policies and direction of the Company's operation; to supervise and monitor the management to so that the specified policies are executed efficiently and effectively; and to adhere to the sense of responsibility toward environment, society and the nation. Concerning policies are those on structure, roles and responsibilities of the Board of Directors, the right and parity of shareholders and stakeholders, risk control and management system, disclosure of information and transparency, business ethics, and etc.

● Structure

The Company's Board of Directors consists of directors assigned by its major shareholder, i.e. the Siam Industrial Credit PCL, independent directors for the number equal to at least one-third of the board size but not less than 3 persons, and executive directors. In the appointment, each director must receive approving votes for more than half of the total voting rights held by shareholders attending the meeting. The term of directorship is defined according to the Company's articles of association, providing that in every annual ordinary shareholder meeting, one-third of the entire directors will have to retire from office. If the number of retiring directors is not a multiple of 3, the number of directors nearest to one-third must retire.

The Company does not have a policy fixing the number of other companies in which each director may take office as a director, since it has selected and screened persons qualified to be its director by considering their knowledge, ability, experience, and time dedication. However, criteria are set that such other companies must not undertake any business regarded as to have direct interest, to lead to conflict of interest, or to compete with the Company. The details of directorships held by each director are reported to shareholders in the Annual Report and the Annual Registration Report.

For the structure of the Board of Directors as of December 31, 2009, the Board consisted of 7 directors, divided into:

- Directors representing the major shareholder: 1 persons, namely:

Ms. Wanvimol	Chotipuech	Chairman of the Board of Directors
--------------	------------	------------------------------------
- Independent directors who also formed the Audit Committee: 3 persons, namely:

Mr. Yothin	Pibulkasetkij	Audit Committee Chairman
Mr. Apichai	Anukularmphai	Audit Committee Member
Mr. Nophadol	Yingchatchaval	Audit Committee Member
- Executive directors: 3 persons, namely:

Mr. Siripong	Sutharoj	Managing Director and Chief Executive Officer
Mrs. Jirapan	Chairoj	Managing Director and Chief Operating and Financial Officer
Mr. Chakkris	Uthayophas	Senior Executive Vice President

With Mrs. Orapim Chalarug, Executive Vice President of Corporate Service Group, as the Company Secretary.

The Company has attained its check and balance in management to ensure independent administration, by appointing the person who is neither the Chairman of the Board nor the director representing its major shareholder as the Company's Managing Director.

● Standing Committees

The Company's Board of Directors has appointed various sub-committees to examine in details and to scrutinize matters necessary to business undertaking, i.e. Audit Committee, Compensation Committee, Risk Monitoring Committee, Credit Committee, Investment Committee, Underwriting Committee. Lists of members in each sub-committee as well as its duties and responsibilities are exhibited under the topic of Management Structure.

● Roles and Responsibilities of the Board of Directors

The Company's Board of Director is to consider and approve corporate vision, mission, strategies, goals, risks, action plan and budget proposed by the Management. It also supervises the establishment of mechanisms for supervising, monitoring and assessing executive performance to ensure efficient achievement of the set goals.

The Board is well aware of its roles, duties and responsibilities in promoting good corporate governance, so that the Company can attain continual and stable growth together with efficient and transparent management. As a result, confidence will be developed among all related parties, thereby leading to maximum benefits for the Company and its shareholders on the whole.

The Board has also set a Code of Conduct as a guideline on operating standards expected for directors, executives and employees. The Code embraces appropriate treatment of shareholders, customers, partners, competitors, society and employees. In regard to this, the Company has compiled good practices into the "Code of Conduct Handbook,"

which were published and distributed to employees for acknowledgement and understanding. The Board has also overseen the establishment of mechanisms and processes of supervision, follow-up and assessment, in order to ensure compliance.

The Company's Board of Directors has laid down policies and practices according to rules of governing agencies, and carefully considered transactions that may cause conflict of interest, for the best interest of the Company and shareholders. In the process, those members having direct interest are not allowed to take part in decision making. The Board has also supervised that regulations stipulating procedures and information disclosure of transactions with possible conflict of interest are executed correctly and completely.

The Company has assigned the Audit and Compliance Division to review operations with independence and full check and balance, by reporting directly to the Audit Committee. In 2009, the Audit Committee held meetings with external auditors, in the absence of the Company's executives. Audit results would be presented to the Board of Directors for acknowledgement, comment, or further consideration for improvement or correction as it deems appropriate.

The Company's Board of Directors has set up a comprehensive risk management policy, with action manual for each type of risk. The result will be reported to the Board of Directors and executives on a monthly basis; while review of system and assessment of risk management effectiveness will be conducted once every three months.

● **The Board of Directors Meeting**

In order that all directors could allocate their time for continual performance, ordinary meetings of the Board of Directors, the Executive Committee, and the Audit Committee for the following year are scheduled in advance. The Board of Directors and the Executive Committee meetings are organized in every 2 months; whereas the Audit Committee meeting is organized in every 3 months. In case there is any urgent matter to be reported or considered, a special meeting will be arranged. Meeting agendas and documents must be submitted to meeting members not less than 7 days prior to the meeting, so that all attendants have sufficient time for examination and consideration. In this regard, the Company's Board of Directors is able to access additional necessary information through the Company Secretary, within the fixed scope of the policy. If any agenda is relevant to certain working unit in the Company, the Managing Director may request the presence of the head of such unit in the meeting to give due details and to be introduced to directors.

In 2009, the Board of Directors had held 8 regular meetings and 2 special ones; the Executive Committee 5 regular and 1 special meetings; and the Audit Committee 4 regular meetings. Information concerning attendance of each director has been disclosed under the topic "Details of Meetings held by the Board of Directors, the Executive Committee, and the Audit Committee, and Details of Director Attendance Records in 2009".

● **Self-Assessment of Directors**

To review its performance, problems and obstacles experienced over the past year, as well as to enhance operational effectiveness toward goals and responsibilities, directors are to assess the performance of the entire Board of Directors in general at least once a year. The Company Secretary is responsible for gathering the assessment scores and submitting the result summary to the Board Chairman for acknowledgement and review of the Board's course of performance.

In 2009, performance assessment for the entire Board of Directors was carried out under 6 topics, namely:-

1. Structure and qualifications of the Board of Directors
2. Roles, duties, and responsibilities of the Board of Directors
3. Board of Directors Meeting
4. Director performance
5. Relationship with the management
6. Director's self-development and development of executives

Apart from the Board of Directors' self-assessment, the Compensation Committee, consisting of Chairman of the Board of Directors and independent directors, had annually assessed the performance of the Managing Director. The remuneration of top executives would be determined by this assessment result.

● **Remuneration for Directors**

Remuneration for directors is transparently determined and approved by the shareholders in Annual General Shareholder Meeting. Details are exhibited under the topic "Remuneration for Directors and Executives".

● **Director and Executive Development**

The Company is determined to make its business undertaking be of standard and in line with legal provisions. Therefore, it has issued the Compliance Manual, consisting of the Compliance Manual for Employee and the Business Code of Conduct, to directors, executives, and employees of all levels, so that they can use it as the working guideline. The Manual helps these professionals to well exercise their skills, abilities, professionalisms in performing their duties without infringement of regulations, code of ethics, as well as corporate procedures and policies. This will promote the Company's stability, sustainability, and trustworthiness among customers, shareholders, and the general public.

The Company has developed its philosophy in prudently controlling the conflict of interest for the benefit of the organization, its shareholders, and the public. Information concerning conflict of interest, e.g. connected transactions, is fully disclosed in the Annual Report.

With regard to director and executive development, the Board of Directors has assigned the Office of Directors the task of reporting material information necessary for discharging directors' and executives' responsibilities, for example the Company's memorandum and articles of association, and good corporate governance principles. The information covers laws or governing rules directors and executives should know, such as responsibilities and obligations of directors and executives, so that they are aware of the duty in preparing securities holding report, securities acquisition or disposition report, shareholding report, and directorship they have taken in other companies. The Office of Directors also has a responsibility to provide directors and executives training or seminar courses related to their duties.

In 2009, the Board of Directors saw to it that the Company had no conduct in violation of laws and governing rules.

In 2009, the Company had appointed 4 new directors, who were provided with briefings on the Company, securities business basics, and operating performance records. It has also encourages the directors to attend Thai Institute of Directors' courses on roles, duties and directorship skills.

Related Party Transactions

In 2009 and 2008, the SICCO Securities Public Company Limited and its subsidiary had related transactions with related parties as disclosed in the note to the financial statements as follows:

Related Person	Relationship	Type of transaction	Transaction value (Baht)		Pricing Policy
			2009	2008	
1. SICCO Securities Public Company Limited and Siam Industrial Credit Public Company Limited	As of December 31, 2009, The Siam Industrial Credit Plc. is a major shareholder which holds 70.06% of shares and has a director in common i.e., Ms. Wanvimol Chotipuech.	Deposit	107,000,000	23,000,000	According to Treasury's interest rates announcement for Institutional Clients.
		Interest income	1,384,114	730,202	0.20 and 0.25% of trading volume
		Brokerage fees income	210,958	1,450,527.21	Resolved from AGM
		Dividend payment	-	13,393,736	
2. SICCO Securities Public Company Limited and SICCO Advisory Company Limited	As of December 31, 2009, SICCO Securities Plc. is a major shareholder of SICCO Advisory Co., Ltd. with 99.99% shareholding of shares and has directors in common to the company i.e., Ms. Wanvimol Chotipuech, Mr. Siripong Sutharoj, Mr. Chakkris Uthayophas, and Mrs. Jirapan Chairroj	Service income	336,276	108,320	Contract price
		Commission expenses	-	8,008,059	
		Interest expenses	-	292,737	Interest Rate of Siam Commercial Bank Plc.
3. SICCO Securities Public Company Limited and SSEC Asset Management Securities Company Limited	As of December 31, 2009, SICCO Securities Plc. is a major shareholder of SSEC Asset Management Securities Co., Ltd. with 51.00% shareholding, and has the Director in common, Mr. Siripong Sutharoj and the Executive in common, Mr. Nakorn Lampavas.	Service income	75,000	360,000	Contract price
		Dividend income	-	510,000	Resolved from AGM
4. SICCO Securities Public Company Limited and Siam Commercial Bank Public Company Limited	As of April 29, 2009 Siam Commercial Bank Plc. is a major shareholders in the parent company, The Siam Industrial Credit Plc., with 38.65% of shareholding.	Short-term deposit	37,635,666	10,017,615	According to Bank's interest rates announcement for Institutional Clients
		Long-term deposit	1,000,000	1,000,000	
		Interest expenses	-	1,916,988	Minimum overdraft rate or time-deposit account (MOR)

Related Person	Relationship	Type of transaction	Transaction value (Baht)		Pricing Policy
			2009	2008	
5. SICCO Securities Public Company Limited and Siam Commercial Samaggi Insurance Public Company Limited	Siam Commercial Bank Plc. is a major shareholders which holds 38.65% of shares (as of April 29, 2009) of parent company, the Siam Industrial Credit Plc. and holds 58.86% of shares (as of March 16, 2009) of Siam Commercial Samaggi Insurance Plc.	Insurance expenses	727,901	752,983	Market price
6. SICCO Securities Public Company Limited and SCB Assets Management Company Limited	Siam Commercial Bank Plc. is a major shareholder in The Siam Industrial Credit Plc., the parent company, with 38.65% shareholding (as of April 29, 2009), and holds 99.00% of shares (as of December 31, 2009) of SCB Assets management Co., Ltd.	Fee income	688,852	313,423	0.25-0.5% of net assets value of fund
7. SICCO Securities Public Company Limited and Siam Sindhorn Company Limited	Both have the same major shareholder in The Siam Industrial Credit Plc., which holds 70.06% (as of December 31, 2009) of SICCO Securities Plc. and holds 10.00% of shares (as of December 31, 2009) of Siam Sindhorn Co., Ltd.	Rental and service expenses	12,947,722	13,644,818	Market price
8. SICCO Securities Public Company Limited and Directors and Managements	Directors and Managements	Brokerage fees income	295,433	695,327	0.10-0.25% of trading volume
9. SICCO Securities Public Company Limited and Directors (8 person)	Directors	Bonus	-	191,164	1% of dividend paid

Necessity and the Justification of the Related Transactions

The related transactions are somewhat necessary and justified to serve the highest benefit of the company whereby the auditor can examine and review all the listed transactions and advice in accordance to general business practices.

Methods/Process of the Approval for Related Transactions

The Board of Directors or an authorized member from the Board of Directors may not approve any of the transactions that they deem may cause or could pose as potential cause of conflict of interest in anyway against the company or its subsidiary. They should also follow the relevant laws on securities and exchange, regulations, announcement, orders of the regulation authority as well as the rules governing information disclosure on the related transactions or origins of the buying or selling of the assets belonging to the company or its subsidiary.

Policy or Future Related Transactions

The Company and its subsidiary may enter into a related transaction with directors, executives, or possible related person in the future. Therefore, it has approved in principle transactions of such manner, provided that those transactions are conducted under general commercial terms a reasonable person shall agree with any unrelated business parties under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executives or related person. In the case that the procedure is not conducted according to trade practices, then the company will propose that the Board of Audit Committee consider, examine and advice on the appropriateness of prices and on the procedure.

In case of conflict among individual shareholders in the subsidiary company or joint company of more than 5%

The company has a transaction policy governing the company and its subsidiary that may create conflict of interest for an individual to lose benefit or potential conflict in the future, the Company will assign the independent director committee or an auditing committee or an accountant to consider, examine and advice on the appropriateness of prices and procedure.

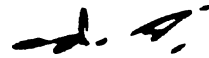
Statement of the Board of Directors Responsibilities

Being well aware of their duties and responsibilities to ensure the effective reporting of the financial statements, the Board of Directors has appointed the Audit Committee from qualified persons to oversee that the Company's financial statements be prepared in a justified and prudent manner. Also, the Audit Committee has reviewed internal control system and performed risk assessment to prevent or reduce risk of a fraud or abnormalities, as well as to ensure its adequacy and effectiveness to safeguard the Company's assets.

From the supervision as mentioned above, the Board of Directors is of the opinion that the financial statement of the SICCO Securities Plc. AS of December 31, 2009 presented the Company's financial position and operating results in a correct, and reliable manner in compliance with the generally accepted accounting principles and all governing rules and regulations.



(Ms. Wanvimol Chotipuech)
Chairman



(Mr. Siripong Sutharoj)
Managing Director and
Chief Executive Officer

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

SICCO SECURITIES PUBLIC COMPANY LIMITED

We have audited the consolidated balance sheets of SICCO Securities Public Company Limited and its subsidiaries and the separate balance sheets of SICCO Securities Public Company Limited as at December 31, 2009 and 2008 and the related consolidated and the separate statements of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated and the separate financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of SICCO Securities Public Company Limited and subsidiaries and of SICCO Securities Public Company Limited as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.



Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK February 17, 2010

BALANCE SHEETS

AS AT DECEMBER 31, 2009 AND 2008

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
ASSETS				
Cash and cash equivalents (Note 5.1)	215,135,152	179,805,900	192,558,325	146,914,996
Long-term deposits at financial institutions (Note 5.2)	2,631,680	2,637,723	2,631,680	2,637,723
Investments in debt and equity securities				
Short-term investments - net (Note 5.3.1)	170,227,628	165,260,927	170,227,628	165,260,927
Long-term investments - net (Note 5.3.1)	8,288,750	-	7,800,000	-
Net investment in debt and equity securities	178,516,378	165,260,927	178,027,628	165,260,927
Investments in subsidiaries (Note 5.4)	-	-	23,307,343	29,047,738
Receivables from Clearing House (Note 5.5)	16,137,068	57,630,515	16,137,068	57,630,515
Securities and derivative business receivables and accrued interest receivables (Note 5.6)				
Securities and derivative business receivables	773,543,762	618,218,261	773,543,762	618,218,261
Accrued interest receivables	1,923,313	2,357,112	1,923,313	2,357,112
Total securities and derivative business receivables and accrued interest receivables	775,467,075	620,575,373	775,467,075	620,575,373
Less Allowance for doubtful accounts (Note 5.7)	(86,809,401)	(92,167,948)	(86,809,401)	(92,167,948)
Net securities and derivative business receivables and accrued interest receivables	688,657,674	528,407,425	688,657,674	528,407,425
Leasehold improvements and equipment - net (Note 5.8)	39,526,783	54,246,376	38,719,812	50,158,144
Intangible assets - net (Note 5.9)	34,766,382	38,513,782	33,048,803	36,127,631
Deposits	11,796,387	14,085,050	11,796,387	13,278,448
Clearing Fund	18,811,327	17,761,002	18,811,327	17,761,002
Other assets (Note 5.10)	14,395,995	17,418,599	13,799,061	15,201,889
TOTAL ASSETS	1,220,374,826	1,075,767,299	1,217,495,108	1,062,426,438

Notes to the financial statements form an integral part of these financial statements

BALANCE SHEETS (CONTINUED)

AS AT DECEMBER 31, 2009 AND 2008

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
LIABILITIES AND SHAREHOLDER'S EQUITY				
LIABILITIES				
Payable to Clearing House	18,900,630	4,640,069	18,900,630	4,640,069
Securities and derivative business payables	243,572,075	142,440,358	243,572,075	142,440,358
Accrued commission to employees	17,662,135	10,545,080	17,560,214	10,326,079
Corporate income tax payable	3,312,491	152,169	3,312,491	-
Post-employment benefits obligation				
(Notes 4 and 5.11)	2,321,000	-	2,312,000	-
Other liabilities (Note 5.12)	20,299,696	19,462,412	20,166,540	18,655,816
Total liabilities	306,068,027	177,240,088	305,823,950	176,062,322
SHAREHOLDERS' EQUITY				
Share capital (Note 6)				
Authorized share capital				
637,215,030 ordinary shares of Baht 1 each	637,215,030	637,215,030	637,215,030	637,215,030
Issued and paid-up share capital				
637,215,030 ordinary shares of Baht 1 each	637,215,030	637,215,030	637,215,030	637,215,030
Premium on share capital	221,435,041	221,435,041	221,435,041	221,435,041
Retained earnings				
Appropriated				
Statutory reserve (Note 7)	19,321,641	18,056,289	19,063,786	17,798,434
Unappropriated	33,157,443	13,127,926	33,957,301	9,915,611
Total equity attributable to the				
Company's shareholders	911,129,155	889,834,286	911,671,158	886,364,116
Minority interests - equity attributable to				
minority shareholders of subsidiary	3,177,644	8,692,925	-	-
Total shareholders' equity	914,306,799	898,527,211	911,671,158	886,364,116
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,220,374,826	1,075,767,299	1,217,495,108	1,062,426,438

Notes to the financial statements form an integral part of these financial statements

STATEMENTS OF INCOME

FOR THE YEARS ENDE DECEMBER 31, 2009 AND 2008

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(UNIT : BAHT)

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2009	2008	2009	2008
REVENUES					
	Brokerage fees from securities business	289,652,514	279,076,073	289,652,514	279,076,073
	Brokerage fees from derivative business	33,656,222	45,114,863	33,656,222	45,114,863
	Fees and service income (Note 10)	10,073,892	34,559,763	7,523,347	22,236,648
	Gain (loss) on trading in securities (Note 5.3.2)	1,254,740	(15,704,012)	1,254,740	(15,815,576)
	Gain (loss) on trading in derivative business	(48,500)	3,000	(48,500)	3,000
	Interest and dividend (Note 5.3.3)	7,701,173	11,001,708	7,326,692	11,058,683
	Interest on margin loans	27,993,339	52,486,339	27,993,339	52,486,339
	Gain (loss) on disposal of fixed assets	(2,177,642)	2,109,917	(55,873)	2,144,427
	Other income	357,964	1,106,632	708,739	1,418,992
	Total Revenues	368,463,702	409,754,283	368,011,220	397,723,449
EXPENSES					
	Expenses on borrowing	2,600,139	7,211,645	2,600,139	7,504,382
	Fee and service expenses	27,568,795	30,205,958	26,867,240	37,466,484
	Bad debt and doubtful accounts (reversal)	(5,358,547)	67,512,078	(5,358,547)	67,512,078
	Allowance for impairment of investment in subsidiary	-	-	5,740,395	172
	Operating expenses				
	Personnel expenses	176,528,191	184,876,797	170,483,716	173,080,978
	Premises and equipment expenses	85,780,934	95,402,612	81,385,561	88,307,441
	Taxes and duties	1,345,242	2,200,100	1,344,205	2,197,444
	Directors' and managements' remuneration (Note 11)	38,359,999	33,166,273	35,695,392	30,996,392
	Entertainment expenses	6,147,922	8,251,916	6,027,709	7,738,807
	Other expenses	15,726,016	15,293,226	13,932,945	13,241,911
	Total Expenses	348,698,691	444,120,605	338,718,755	428,046,089
INCOME (LOSS) BEFORE INCOME TAX					
	AND MINORITY INTERESTS	19,765,011	(34,366,322)	29,292,465	(30,322,640)
CORPORATE INCOME TAX (Note 12)		(3,985,423)	(152,169)	(3,985,423)	-
INCOME (LOSS) BEFORE MINORITY INTERESTS		15,779,588	(34,518,491)	25,307,042	(30,322,640)
LOSS OF MINORITY INTERESTS		(5,515,281)	(6,570,059)	-	-
NET INCOME (LOSS)		21,294,869	(27,948,432)	25,307,042	(30,322,640)
Basic earnings (loss) per share					
Net income (loss)	Baht	0.033	(0.044)	0.040	(0.048)
Weighted average number of					
ordinary shares	Shares	637,215,030	637,215,030	637,215,030	637,215,030

Notes to the financial statements form an integral part of these financial statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS						
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Equity attributable to minority shareholders of subsidiary	Total shareholders' equity
			Appropriated Statutory reserve	Un- appropriated		
Balance as at December 31, 2007	637,215,030	221,435,041	18,056,289	60,192,596	10,852,984	947,751,940
Increase in share capital (Note 6)	-	-	-	-	4,900,000	4,900,000
Net loss	-	-	-	(27,948,432)	(6,570,059)	(34,518,491)
Dividend paid (Note 8)	-	-	-	(19,116,238)	(490,000)	(19,606,238)
Balance as at December 31, 2008	637,215,030	221,435,041	18,056,289	13,127,926	8,692,925	898,527,211
Balance as at December 31, 2008	637,215,030	221,435,041	18,056,289	13,127,926	8,692,925	898,527,211
Net profit (loss)	-	-	-	21,294,869	(5,515,281)	15,779,588
Appropriation of retained earnings	-	-	1,265,352	(1,265,352)	-	-
Balance as at December 31, 2009	637,215,030	221,435,041	19,321,641	33,157,443	3,177,644	914,306,799

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS					
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total shareholders' equity
			Appropriated Statutory reserve	Unappropriated	
Balance as at December 31, 2007	637,215,030	221,435,041	17,798,434	59,354,489	935,802,994
Net loss	-	-	-	(30,322,640)	(30,322,640)
Dividend paid (Note 8)	-	-	-	(19,116,238)	(19,116,238)
Balance as at December 31, 2008	637,215,030	221,435,041	17,798,434	9,915,611	886,364,116
Balance as at December 31, 2008	637,215,030	221,435,041	17,798,434	9,915,611	886,364,116
Net income	-	-	-	25,307,042	25,307,042
Appropriation of retained earnings	-	-	1,265,352	(1,265,352)	-
Balance as at December 31, 2009	637,215,030	221,435,041	19,063,786	33,957,301	911,671,158

Notes to the financial statements form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Cash flows from operating activities				
Net income (loss)	21,294,869	(27,948,432)	25,307,042	(30,322,640)
Items to reconcile net income (loss) to net cash from operating activities				
Depreciation and amortization	21,061,658	23,104,844	19,656,350	21,084,837
Bad debt and doubtful accounts (reversal)	(5,358,547)	67,512,078	(5,358,547)	67,512,078
(Gain) loss on revaluation on trading securities	(8,188,487)	8,610,486	(8,188,487)	8,499,509
Impairment of long-term investments (reversal)	(488,750)	7,820,000	(488,750)	7,820,000
Loss on impairment of equipment and intangible assets	-	400,000	-	400,000
(Gain) loss on disposal of fixed assets	2,177,642	(2,109,917)	55,873	(2,144,427)
Post-employment benefits obligation	2,321,000	-	2,312,000	-
Minority interest	(5,515,281)	(6,570,059)	-	-
Allowance for impairment of investment in subsidiary	-	-	5,740,395	172
Income from operating activities before changes in operating assets and liabilities	27,304,104	70,819,000	39,035,876	72,849,529
Decrease (increase) in operating assets				
Long-term deposits at financial institutions	6,043	(37,723)	6,043	(37,723)
Short-term investments	3,221,786	(151,828,428)	3,221,786	(162,328,428)
Receivables from Clearing House	41,493,447	81,334,598	41,493,447	81,334,598
Securities and derivative business receivables and accrued interest receivables	(154,891,702)	396,683,994	(154,891,702)	396,683,994
Deposits	2,288,663	494,846	1,482,061	438,366
Clearing Fund	(1,050,325)	(1,963,369)	(1,050,325)	(1,963,369)
Other assets	3,022,604	3,403,946	1,402,828	(4,908,798)

Notes to the financial statements form an integral part of these financial statements

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Cash flows from operating activities (Continued)				
Increase (decrease) in operating liabilities				
Payable to Clearing House	14,260,561	2,300,118	14,260,561	2,300,118
Securities and derivative business payables	101,131,717	(186,162,684)	101,131,717	(186,162,684)
Accrued commission to employees	7,117,055	(1,642,883)	7,234,135	(1,861,884)
Corporate income tax payable	3,160,322	(9,101,364)	3,312,491	(8,126,264)
Other liabilities	1,691,218	(2,348,049)	2,364,658	(1,823,459)
Net cash flows provided by operating activities	48,755,493	201,952,002	59,003,576	186,393,996
Cash flows from investing activities				
Cash paid for purchase of long-term investment	(7,800,000)	-	(7,800,000)	-
Cash received from sales of long-term investment	-	-	488,750	-
Cash paid for purchase investment in subsidiary	-	-	-	(5,100,000)
Increase in intangible assets	(4,227,887)	(4,752,362)	(4,227,887)	(4,752,362)
Cash received from sale of equipment	2,201,090	5,372,573	1,777,037	5,369,770
Cash paid for acquisition of equipment	(3,599,444)	(13,946,992)	(3,598,147)	(13,445,929)
Net cash flows used in investing activities	(13,426,241)	(13,326,781)	(13,360,247)	(17,928,521)
Cash flows from financing activities				
Cash paid for borrowings - bills of exchange	-	(100,000,000)	-	(100,000,000)
Dividend paid to minority interests	-	(490,000)	-	-
Dividend paid	-	(19,116,238)	-	(19,116,238)
Cash received from minority interests	-	4,900,000	-	-
Net cash flows used in financing activities	-	(114,706,238)	-	(119,116,238)
Net increase in cash and cash equivalents	35,329,252	73,918,983	45,643,329	49,349,237
Cash and cash equivalents as at January 1,	179,805,900	105,886,917	146,914,996	97,565,759
Cash and cash equivalents as at December 31,	215,135,152	179,805,900	192,558,325	146,914,996
Supplementary cash flow information				
Cash paid during the period for:				
Interest expenses	2,597,135	6,450,547	2,597,135	6,743,284
Corporate income tax	738,463	18,854,567	672,932	18,330,157
Non-cash items consist of:				
Equipment payables	1,148,039	294,105	1,148,039	294,105
Statutory reserve	1,265,352	-	1,265,352	-

Notes to the financial statements form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

1. GENERAL INFORMATION

The Company was incorporated as a limited company under Thai laws on October 28, 1998. On January 4, 1999, the Company was transferred assets and liabilities relating to the securities business from The Siam Industrial Credit Public Company Limited (the parent company) at net book value. The Company has been in operation since then. The Company converted the status to be a public limited company in accordance with the Public Limited Companies Act on May 20, 1999 and was listed on the Stock Exchange of Thailand (SET) on September 17, 2002.

As at December 31, 2009 and 2008, The Siam Industrial Credit Public Company Limited, the parent company, has invested in 70.06% of the Company's issued and paid-up share capital. Its head office is located at 130-132, 1st, 2nd floor, Sindhorn Tower II and 12th floor Sindhorn Tower III, Wireless Road, Lumpini, Patumwan, Bangkok.

As at December 31, 2009 and 2008, the Company has 13 and 14 branches, respectively, total number of personnel of Company and subsidiaries are 300 and 338 persons, respectively, and the Company only total number of personnel are 295 and 323 persons, respectively.

The Company operates its business in Thailand and its principal activity is securities business. The Company has been granted securities business licenses from the Ministry of Finance to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Derivatives Agent

SICCO Advisory Company Limited, a subsidiary, operates its business in Thailand and has been granted a full license to provide financial advisory.

SSEC Asset Management Securities Company Limited, a subsidiary, operates its business in Thailand and has been granted permission to manage private fund, provide financial advisory and other businesses that generally have been granted by the Office of the Securities and Exchange Commission.

Restructuring business of SSEC Asset Management Securities Company Limited ("Subsidiary")

On April 28, 2009, Annual General Shareholders Meeting's resolution approving the subsidiary to cease the management of private fund business and financial advisory business for the temporary period of 2 years from June 1, 2009. On April 30, 2009, the subsidiary provided the letter to the Securities and Exchange Commission to request to temporary cease securities business for 2 years from June 1, 2009 onward because the economics effect resulting in loss from operation and shareholders' equity decrease that the subsidiary cannot maintain capital adequacy at the requirement of the Securities and Exchange Commission. Following the letter on July 16, 2009 the Securities and Exchange Commission has approved the subsidiary to cease the management of private fund business and financial advisory business as the subsidiary requested. If the subsidiary will resume operation in securities business, the subsidiary has to inform the Securities and Exchange Commissions in advance and demonstrate that the subsidiary has the ability to operate and comply with the requirements of the Securities and Exchange Commissions then. However, if the period requirement mentioned above has been exceeded, the Securities and Exchange Commission will consider the subsidiary not operating the type of the license within the required volume, resulting in the license being revoked (see Note 9).

Results of the operations, financial position and cash flows of subsidiary included in the financial statements for the year ended December 31, 2009 are as follows:

(UNIT : BAHT)

For the year ended December 31, 2009	
Results of operations	
Total income	1,045,830
Total expenses	12,301,505
Net loss	<u>(11,255,675)</u>

(UNIT : BAHT)

As at December 31, 2009	
Financial position	
Total assets	6,516,337
Total liabilities	31,350
Total shareholders' equity	<u>6,484,987</u>

(UNIT : BAHT)

For the year ended December 31, 2009	
Cash flows	
Cash flows from operating activities	(7,253,669)

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company prepares its statutory financial statements in conformity with accounting standards and practices generally accepted in Thailand and in accordance with the Notifications of the Office of the Securities and Exchange Commission. In addition, the Company and subsidiaries have early adopted of draft TAS 19 "Employee Benefits" to the financial statements for the year ended December 31, 2009 (see Note 4)

The presentation of the financial statements has been made in compliance with requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor Tor/Nor 26/2549, dated June 29, 2006.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

During the year 2007, Thai Accounting Standard No. 1 (Revised 2007) "Presentation of Financial Statements" (previously No. 35) and No. 7 (Revised 2007) "Cash Flow Statements" (previously No. 25) were revised and announced by the Federation of Accounting Professions and applied for the financial statements of periods beginning on or after January 1, 2008. The revised standards have no material impact on the financial statements of the Company. However, the consolidated and separate financial statements for the year ended December 31, 2009 and 2008 are still presented in accordance with the Notification of the Office of the Securities and Exchange Commission No. Sor Tor/Nor. 26/2549, regarding "The Forms of Financial Statements for Securities Companies" dated June 29, 2006.

- 2.2 New or revised accounting standards and financial reporting standards

2.2.1 The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 12/2552 dated May 15, 2009 regarding the renumbering of the Thai Accounting Standards (TAS) and the Thai Financial Reporting Standards (TFRS) to be equivalent to the International Accounting Standards (IAS). The disclosure of the financial statements for the years ended December 31, 2009 and 2008 have been used in accordance with such the Notification.

2.2.2 The Federation of Accounting Professions has issued the Notification of Federation of Accounting Professions No. 16/2552 dated May 21, 2009 regarding the accounting standards that have been announced in the Royal Gazette, but not yet in effective in 2009 as follows:

- (1) Revised accounting standards to be applied for the financial statements of the periods beginning on or after January 1, 2011 which will supersede the previously issued accounting standards are as follows :
 - Accounting Framework (Revised 2007)
 - TAS 24 (Revised 2007) regarding "Related Party Disclosures" (previously No. 47)
- (2) The new accounting standard to be applied for the financial statements of the periods beginning on or after January 1, 2011 is TAS 40 "regarding" Investment Property.
- (3) The new accounting standard to be applied for the financial statements of the periods beginning on or after January 1, 2012 is TAS 20 regarding "Accounting for Government Grants and Disclosure of Government Assistance."

The Company has considered the impact of the above accounting standards and determined that they will have no material impact on the Company's financial statements in the period of initial application.

- 2.3 These consolidated financial statements include the accounts of the SICCO Advisory Company Limited and the SSEC Asset Management Securities Company Limited, which are registered with Ministry of Commerce and are established in Thailand. The additional information is as follows:

	Percentage of shares held by the Company as at December 31,		Percentage of total assets of subsidiaries included in consolidated balance sheets as at December 31,		Percentage of total income of subsidiaries included in consolidated statements of income for the years ended December 31,	
	2009 %	2008 %	2009 %	2008 %	2009 %	2008 %
SICCO Advisory Company Limited	99.99	99.99	1.61	2.24	0.53	3.77
SSEC Asset Management Securities Company Limited	51.00	51.00	0.53	1.70	0.28	1.44

The outstanding balances and transactions between the Company and the subsidiaries, the investments in the subsidiaries, and the shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.

2.4 Reclassification

The Company has reclassified items in the consolidated and separate financial statements for the year ended December 31, 2008 to conform to the classification used in the financial statements for the year ended December 31, 2009 follows:

- Gain on disposal of vehicles and equipment Baht 2.1 million for the year ended December 31, 2008, which were previously presented as a part of other income, to be separately presented as gain (loss) on disposal of fixed assets.
- Managements' remuneration in the consolidated and separate financial statements Baht 30.0 million and Baht 28.0 million, respectively, for the year ended December 31, 2008 which were previously presented as a part of personnel expenses to be separately presented as directors' and managements' remuneration (see Note 11.2).

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company and its subsidiaries are summarized below:

3.1 Basis of consolidated financial statements

These consolidated financial statements include the accounts of the subsidiaries. The outstanding balances and transactions between the Company and the subsidiaries, the investments in the subsidiaries, and the shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.

3.2 Revenue and expense recognition

Brokerage fees

Brokerage fees on securities trading are recognized as income on the transaction dates.

Fees and service income

Fees are recognized as income on an accrual basis and service income is recognized on the basis of percentage of completion, as specified in the service agreement.

Interest on margin loans

Interest is recognized on an accrual basis, but where there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

In the following cases collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralized
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
- 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- 4) Problem financial institutions
- 5) Other receivables from which interest payment is overdue for 3 months or more

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission.

Gains (losses) on trading in securities and derivatives

Gains (losses) on trading in securities and derivatives are recognized as income or expenses on the transaction dates.

Interest and dividend on investments in securities

Interest on investments is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

Expenses

Expenses are recognized on an accrual basis.

3.3 Interest on borrowing

Interest on borrowing is charged to earnings on an accrual basis.

3.4 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities trading is recorded as the asset and liability of the Company for internal control purposes. As at the balance sheet date, the Company writes these amounts off from both assets and liabilities and presents only assets which belong to the Company.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with no more than 3 months remaining to maturity and without commitments, call note receivables and term note receivables maturing within 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

3.6 Long-term deposits at financial institutions

Long-term deposits at financial institutions represent fixed deposit accounts, promissory notes with remaining maturities over 3 months.

3.7 Investments in debt and equity securities

Investments in securities held for trading are determined at fair value. Gains or losses arising from changes in value of securities are included in the statements of income.

Investments in available-for-sale securities, both held for short-term and long-term investments, are deter-

mined at fair value. The change in value of securities is recorded as separate item in shareholders' equity until securities are sold, then, the change shall be included in the statements of income.

Investments in debt securities due within one year and expected to be held to maturity are determined at amortized cost.

The premium/discount on debt securities is amortized using the effective rate method with the amortized amount presented as an adjustment to interest income.

Investments in non-marketable equity securities, which the Company holds as general investments, are valued at cost, net of allowance for impairment (if any).

Loss on impairment (if any) of investments in available-for-sale securities and general investments are included in determining earnings when the carrying amount exceeds its recoverable value.

Fair value of investment in debt and equity securities

The fair value of marketable security is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of unit trust is determined from its net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

3.8 Investments in subsidiaries

The weighted average method is used for computation of the cost of investments.

Investments in its subsidiaries are accounted for under the cost method in the separate financial statement net of allowances for impairment (if any).

3.9 Receivable or payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the announcement of the Office of the Securities and Exchange Commission No. Sor Tor/Nor. 26/2549, dated June 29, 2006, regarding "The Form of Financial Statements for Securities Companies."

3.10 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables are net securities and derivatives business receivables and net of allowance for doubtful accounts combined with accrued interest receivables (if any). Whereas, securities business receivables are cash account traders. While credit balance receivable are loans for margin account traders, which collaterals must be placed at not less than the rate required by the Stock Exchange of Thailand. Whereas other receivables are, for instance, cash account traders who could not settle payments within deadline.

The allowance for doubtful accounts on securities and derivatives business receivables is based on management's review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission's Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

Allowance for doubtful accounts

The Company has provided an allowance for doubtful debts based on a review of debtor's repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expected not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines by the Office of the Securities and Exchange Commission as follows:

a) Assets classified as loss are to satisfy the following criteria:

- 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law.
- 2) Loan balances which the Company has forgiven.

b) Doubtful debt is defined as the summarized portion of the value of a debt which meets the following criteria:

- 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balances.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
- 3) Installment loans with repayments scheduled no less frequently than every 3 months unless there is clear evidence and a high degree of certainty that full repayment will be received.

c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

3.11 Troubled debt restructuring

Loss on troubled debt restructuring arising from reduction of principal and interest are recognized as expenses in the statements of income.

The fair value of accounts receivable after restructuring is based on the present value of the future cash flows to be received from the debtor.

3.12 Leasehold improvements, equipment and depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated by reference to its cost on a straight-line basis over the following estimated useful lives:

Leasehold improvements	5 - 24	Years
Furniture, fixtures and office equipment	3 - 10	Years
Vehicles	5	Years

The depreciation of equipment received from the separation of the finance business and securities business from The Siam Industrial Credit Public Company Limited (the parent company) is calculated based on the remaining useful lives of the assets at the time of transfer.

3.13 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortization.

Intangible asset which are prepaid broker license and TFEX membership fee with indefinite useful live are tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

3.14 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

3.15 Long-term lease

Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of income over the lease term.

3.16 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives businesses with outside parties, such as the net payable balances of cash accounts.

3.17 Financial Instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments.

Financial instruments carried in the balance sheet include cash and cash equivalents, long-term deposits at financial institutions, trading transaction with securities companies, investments in debt and equity securities, receivables from Clearing House, securities business receivables and derivative business receivables, borrowings, payable to Clearing House, and securities business payables and derivative business payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.18 Employee benefit

3.18.1 Provident fund

The contributions for provident fund made by the Company and subsidiaries are recorded as expenses in the statement of income when incurred.

3.18.2 Post-employment benefits obligation

The Company and subsidiary provide for post-employment benefits obligation, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. Actuarial gains or losses will be recognized in the consolidated and company statements of income in the period to which they are related. The costs associated with providing these benefits are charged to the consolidated and company statements of income so as to spread the cost over the employment period during which the entitlement to benefits is earned. However, at an initial adoption of draft TAS No. 19 “Employee Benefits”, the transitional liabilities will be amortized as an expense in the statements of income on a straight-line method over 5 years (see Note 5.11).

3.19 Provision for liabilities

The Company recognizes provision as liabilities in the financial statements when the amount of the liability can be reliably estimated and it is current commitment that is likely that loss of resources which are of economic benefit to the Company will result from settlement of such commitments.

3.20 Income tax

Income tax expense (if any) is based on tax paid and accrued for the current year.

3.21 Earnings (loss) per share

Basic earnings (loss) per share are determined by dividing net earnings (loss) for the year by the weighted average number of ordinary shares held by outside parties outstanding during the year.

The Company does not have any common share equivalents which would have a dilutive effect on earning per share.

3.22 Accounting estimated and source of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Accounting estimates are as follows:

Fair value of financial instrument

The fair value of financial instrument disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value.

4. CHANGES IN ACCOUNTING POLICY

For the year ended December 31, 2009, the Company and subsidiary provide for post-employment benefits obligation, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by using the actuarial technique at the balance sheet date. However, at an initial adoption of draft TAS No. 19 "Employee Benefits", the transitional liabilities of Company and subsidiary will be amortized as expenses in the statements of income on a straight-line method over 5 years, since the year ended December 31, 2009 (see Notes 3.18.2 and 5.11).

Effects of the change to the financial statements as at December 31, 2009 and for the year ended December 31, 2009 are summarized as follows:

	(UNIT : BAHT)	
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Balance Sheet as at December 31, 2009		
Post-employment benefits obligation	2,321,000	2,312,000
Statement of income for the year ended December 31, 2009		
Post-employment benefits expense	2,321,000	2,312,000

As at December 31, 2009, there are post employment benefits obligation in the consolidated and the separate financial statements of Baht 11,606,358 and Baht 11,561,358, respectively. The Company has not been recognized as liabilities amount of Baht 9,285,358 and Baht 9,249,358, respectively.

5. DETAIL OF SIGNIFICANT TRANSACTION

5.1 Cash and cash equivalents

	(UNIT : BAHT)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2009	2008	2009	2008
Cash	75,000	96,539	70,000	85,000
Current deposits, saving deposits and fixed deposits	77,310,470	82,404,017	72,438,643	80,524,652
Promissory notes with maturity less than three months	504,830,736	274,101,004	487,130,736	243,101,004
Less Deposits and promissory notes in the Company's name at banks for customers*	(367,081,054)	(176,795,660)	(367,081,054)	(176,795,660)
Net cash and cash equivalents	215,135,152	179,805,900	192,558,325	146,914,996

(*Deposit accounts for the customers are not shown as assets and liabilities in financial statements according to the announcement of the SEC.)

5.2 Long-term deposits at financial institutions

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2009	As at December 31, 2008	As at December 31, 2009	As at December 31, 2008
Fixed deposit with maturity more than three months	2,631,680	2,637,723	2,631,680	2,637,723
Total long-term deposits at financial institutions	2,631,680	2,637,723	2,631,680	2,637,723

The Company's fixed deposits of Baht 2.6 million were used as collateral against service from service provider as at December 31, 2009 and 2008.

5.3 Investments in debt and equity securities

5.3.1 Cost/book value and fair value

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2009		As at December 31, 2008	
	Cost/ book value	Fair value	Cost/ book value	Fair value
Short-term investments				
<i>Trading securities</i>				
Equity securities				
Listed securities	24,586	24,564	1,371,275	583,369
Unit trusts	170,000,000	170,203,064	164,055,098	164,677,558
Total	170,024,586	170,227,628	165,426,373	165,260,927
Add (less) : Changes in fair value of securities	203,042	-	(165,446)	-
Net equity securities	170,227,628	170,227,628	165,260,927	165,260,927
Total short-term investments	170,227,628	170,227,628	165,260,927	165,260,927
Long-term investments				
<i>Non-marketable securities</i>				
Equity securities				
Other securities - ordinary shares	8,288,750	8,288,750	7,820,000	-
Less : Allowance for impairment of securities	-	-	(7,820,000)	-
Total non-marketable securities	8,288,750	8,288,750	-	-
Total long-term investments	8,288,750	8,288,750	-	-
Total investments - net	178,516,378	178,516,378	165,260,927	165,260,927

(UNIT : BAHT)

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2009		As at December 31, 2008	
	Cost/ book value	Fair value	Cost/ book value	Fair value
Short-term investments				
<i>Trading securities</i>				
Equity securities				
Listed securities	24,586	24,564	1,371,275	583,369
Unit trusts	170,000,000	170,203,064	164,055,098	164,677,558
Total	170,024,586	170,227,628	165,426,373	165,260,927
Add (less) : Changes in fair value of securities	203,042	-	(165,446)	-
Net equity securities	170,227,628	170,227,628	165,260,927	165,260,927
Total short-term investments	170,227,628	170,227,628	165,260,927	165,260,927

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2009		As at December 31, 2008	
	Cost/ book value	Fair value	Cost/ book value	Fair value
Long-term investments				
<i>Non-marketable securities</i>				
Equity securities				
Other securities - ordinary shares	7,800,000	7,800,000	7,820,000	-
Less : Allowance for impairment of securities	-	-	(7,820,000)	-
Total non-marketable securities	7,800,000	7,800,000	-	-
Total long-term investments	7,800,000	7,800,000	-	-
Total investments - net	178,027,628	178,027,628	165,260,927	165,260,927

5.3.2 Gain (loss) on trading in securities

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		
	2009	2008
Unrealized gain (loss) from revaluation of trading securities	8,188,487	(8,610,486)
Realized loss from trading in trading securities	(6,933,747)	(7,093,526)
Total	1,254,740	(15,704,012)

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS For the years ended December 31,		
	2009	2008
Unrealized gain (loss) from revaluation of trading securities	8,188,487	(8,499,509)
Realized loss from trading in trading securities	(6,933,747)	(7,316,067)
Total	1,254,740	(15,815,576)

5.3.3 Interest and dividend

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2009	2008	2009	2008
Interest income	7,183,841	8,205,777	6,809,360	7,752,752
Dividend	517,332	2,795,931	517,332	3,305,931
Total	7,701,173	11,001,708	7,326,692	11,058,683

- 5.3.4 Investments in companies having problems relating to financial position and operating results:
The Company has the following investments in companies having its capital restructured

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS						
	As at December 31, 2009			As at December 31, 2008		
	Cost	Allowance for impairment	Book value	Cost	Allowance for impairment	Book value
Type of investment						
Ordinary share*	8,288,750	-	8,288,750	7,820,000	(7,820,000)	-

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS						
	As at December 31, 2009			As at December 31, 2008		
	Cost	Allowance for impairment	Book value	Cost	Allowance for impairment	Book value
Type of investment						
Ordinary share*	7,800,000	-	7,800,000	7,820,000	(7,820,000)	-

- * This company has to have its capital restructured by decreasing then increase its share capital which is part of the debt restructuring plan to solve debt and liquidity problems and to strengthen and support the company to maintain its business. This company registered the decrease in share capital with the Department of Business Development, Ministry of Commerce on June 29, 2009 decreasing from Baht 1,000,000,000 to Baht 62,500,030 and then registered the increase in share capital with the Department of Business Development, Ministry of Commerce on July 24, 2009 to Baht 1,300,000,500 with paid-up capital of Baht 1,016,739,840.

5.4 Investments in subsidiaries

Company's name	Type of business	Register and country	Paid-up share capital As at December 31,		Portion As at December 31,		Cost method As at December 31,		Equity method As at December 31,	
			2009 (Baht)	2008 (Baht)	2009 (%)	2008 (%)	2009 (Baht)	2008 (Baht)	2009 (Baht)	2008 (Baht)
SICCO Advisory Company Limited	Financial	Thailand	20,000,000	20,000,000	99.99	99.99	20,000,000	20,000,000	19,559,918	23,470,171
SSEC Asset Management Securities Company Limited	Private Fund Manager	Thailand	30,000,000	30,000,000	51.00	51.00	3,307,343	9,047,738	3,307,343	8,461,775
					Total		23,307,343	29,047,738	22,867,261	31,931,946

5.5 Receivables from Clearing House

(UNIT : BAHT)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
As at December 31,		
	2009	2008
Receivables from Thailand Securities Depository (TSD)	16,102,869	57,573,515
Receivables from Thailand Clearing House (TCH)	20,196,948	40,453,022
Less Receivables from Clearing House for the customers*	(20,162,749)	(40,396,022)
Total Receivables from Clearing House	16,137,068	57,630,515

(*Deposit accounts for the customers are not shown as assets and liabilities in financial statements according to the announcement of SEC)

5.6 Securities and derivative business receivables and accrued interest receivables

(UNIT : BAHT)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
As at December 31,		
	2009	2008
Securities business receivables		
Customers' accounts - cash	250,810,124	118,637,470
Customers' accounts - credit balance	350,080,486	365,476,876
Other receivables	172,653,152	134,103,915
Total securities business receivables	773,543,762	618,218,261
Add Accrued interest receivables	1,923,313	2,357,112
Less Allowance for doubtful accounts (Note 5.7)	(86,809,401)	(92,167,948)
Net securities business receivables and accrued interest receivables	688,657,674	528,407,425

As at December 31, 2009 and 2008, the Company has securities business receivables of approximately Baht 86.8 million and Baht 92.2 million, respectively, for which it has stopped recognizing interest income.

The Company has classified securities business receivables including related accrued interest receivables according with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables. Securities business receivables are classified as follows:

(Unit : Million Baht)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2009			As at December 31, 2008			
Securities business receivables and accrued interest receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	Securities business receivables and accrued interest receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	
Normal debts	688.7	-	688.7	528.4	-	528.4
Doubtful debts	86.8	(86.8)	-	92.2	(92.2)	-
Total	775.5	(86.8)	688.7	620.6	(92.2)	528.4

5.7 Allowance for doubtful accounts

(UNIT : BAHT)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
As at December 31,		
	2009	2008
Beginning balance	92,167,948	24,655,870
Add Doubtful accounts (reversal)	(5,358,547)	67,512,078
Ending balance	86,809,401	92,167,948

5.8 Leasehold improvements and equipment - net

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance As at December 31, 2008	Increase	Decrease	Adjustment Increase (decrease)	Balance As at December 31, 2009
Cost					
Leasehold improvements	46,183,124	344,051	(3,381,696)	-	43,145,479
Furniture and fixtures	16,988,639	13,880	(4,115,918)	-	12,886,601
Office equipment	123,267,001	2,395,063	(8,278,704)	(7,800)	117,375,560
Vehicles	20,479,936	-	(3,010,000)	-	17,469,936
Total cost	206,918,700	2,752,994	(18,786,318)	(7,800)	190,877,576
Accumulated depreciation					
Leasehold improvements	(21,010,289)	(4,005,323)	2,015,162	-	(23,000,450)
Furniture and fixtures	(8,420,067)	(1,408,335)	2,063,416	-	(7,764,986)
Office equipment	(111,247,402)	(4,798,093)	7,102,341	-	(108,943,154)
Vehicles	(11,594,566)	(2,933,938)	2,886,301	-	(11,642,203)
Total accumulated depreciation	(152,272,324)	(13,145,689)	14,067,220	-	(151,350,793)
Allowance for impairment of equipments	(400,000)	-	400,000	-	-
Total leasehold improvements and equipment - net	54,246,376	(10,392,695)	(4,319,098)	(7,800)	39,526,783

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance As at December 31, 2007	Increase	Decrease	Adjustment Increase (decrease)	Balance As at December 31, 2008
Cost					
Leasehold improvements	47,989,991	1,444,377	(3,251,244)	-	46,183,124
Furniture and fixtures	17,275,777	73,141	(360,279)	-	16,988,639
Office equipment	130,179,805	4,851,499	(3,241,759)	(8,522,544)	123,267,001
Vehicles	22,899,062	7,459,450	(9,878,576)	-	20,479,936
Total cost	218,344,635	13,828,467	(16,731,858)	(8,522,544)	206,918,700
Accumulated depreciation					
Leasehold improvements	(18,082,199)	(4,313,125)	1,385,035	-	(21,010,289)
Furniture and fixtures	(6,777,321)	(1,875,464)	232,718	-	(8,420,067)
Office equipment	(115,800,667)	(6,896,663)	2,927,390	8,522,538	(111,247,402)
Vehicles	(17,879,424)	(2,644,262)	8,929,120	-	(11,594,566)
Total accumulated depreciation	(158,539,611)	(15,729,514)	13,474,263	8,522,538	(152,272,324)
Allowance for impairment of equipments	-	(400,000)	-	-	(400,000)
Total leasehold improvements and equipment - net	59,805,024	(2,301,047)	(3,257,595)	(6)	54,246,376

Depreciation for the years ended December 31,

2009

13,145,689

2008

15,729,514

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS					
	Balance As at December 31, 2008	Increase	Decrease	Adjustment Increase (decrease)	Balance As at December 31, 2009
Cost					
Leasehold improvements	45,967,834	344,052	(3,381,696)	-	42,930,190
Furniture and fixtures	13,326,043	13,881	(628,514)	-	12,711,410
Office equipment	119,613,613	2,393,765	(6,877,789)	(7,800)	115,121,789
Vehicles	20,479,936	-	(3,010,000)	-	17,469,936
Total cost	199,387,426	2,751,698	(13,897,999)	(7,800)	188,233,325
Accumulated depreciation					
Leasehold improvements	(20,993,862)	(3,983,795)	2,015,161	-	(22,962,496)
Furniture and fixtures	(6,907,402)	(1,102,471)	355,398	-	(7,654,475)
Office equipment	(109,333,453)	(4,388,727)	6,467,841	-	(107,254,339)
Vehicles	(11,594,565)	(2,933,938)	2,886,300	-	(11,642,203)
Total accumulated depreciation	(148,829,282)	(12,408,931)	11,724,700	-	(149,513,513)
Allowance for impairment of equipments	(400,000)	-	400,000	-	-
Total leasehold improvements and equipment - net	50,158,144	(9,657,233)	(1,773,299)	(7,800)	38,719,812

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS					
	Balance As at December 31, 2007	Increase	Decrease	Adjustment Increase (decrease)	Balance As at December 31, 2008
Cost					
Leasehold improvements	47,955,164	1,229,087	(3,216,417)	-	45,967,834
Furniture and fixtures	13,613,181	73,141	(360,279)	-	13,326,043
Office equipment	126,784,154	4,565,725	(3,213,722)	(8,522,544)	119,613,613
Vehicles	22,899,062	7,459,450	(9,878,576)	-	20,479,936
Total cost	211,251,561	13,327,403	(16,668,994)	(8,522,544)	199,387,426
Accumulated depreciation					
Leasehold improvements	(18,075,061)	(4,295,957)	1,377,156	-	(20,993,862)
Furniture and fixtures	(5,979,454)	(1,160,666)	232,718	-	(6,907,402)
Office equipment	(114,488,517)	(6,277,193)	2,909,719	8,522,538	(109,333,453)
Vehicles	(17,879,423)	(2,644,262)	8,929,120	-	(11,594,565)
Total accumulated depreciation	(156,422,455)	(14,378,078)	13,448,713	8,522,538	(148,829,282)
Allowance for impairment	-	(400,000)	-	-	(400,000)
Total leasehold improvements and equipment - net	54,829,106	(1,450,675)	(3,220,281)	(6)	50,158,144

Depreciation for the years ended December 31,

2009

12,408,931

2008

14,378,078

In the consolidated financial statements as at December 31, 2009 and 2008, certain asset items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 105 million and Baht 110 million, respectively.

In the separate financial statements as at December 31, 2009 and 2008, certain asset items have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 104 million and Baht 109 million, respectively.

5.9 Intangible asset - net

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENT						
As at December 31, 2009						
	Remaining useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
Leasehold right	13 years	17,403,273	-	(1,260,936)	1	16,142,338
Software	1-5 years	14,146,486	6,285,599	(6,497,444)	(59,309)	13,875,332
Investment advisory fee	2 years	166,800	-	(50,040)	-	116,760
TFEX membership	-	3,414,469	-	-	-	3,414,469
License fee	-	408,333	-	-	-	408,333
Website development cost	1-3 years	24,881	-	(107,549)	-	117,332
Total		35,764,242	6,285,599	(7,915,969)	(59,308)	34,074,564
Intangible assets under development		2,749,540	3,217,435	-	(5,275,157)	691,818
Total		38,513,782	9,503,034	(7,915,969)	(5,334,465)	34,766,382

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENT						
As at December 31, 2008						
	Remaining useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
Leasehold right	14 years	18,664,209	-	(1,260,936)	-	17,403,273
Software	1-5 years	18,105,625	2,002,816	(5,956,806)	(5,149)	14,146,486
Investment advisory fee	3 years	216,840	-	(50,040)	-	166,800
TFEX membership	-	3,414,469	-	-	-	3,414,469
License fee	-	408,333	-	-	-	408,333
Website development cost	3-4 years	332,429	-	(107,548)	-	224,881
Total		41,141,905	2,002,816	(7,375,330)	(5,149)	35,764,242
Intangible assets under development		-	2,749,540	-	-	2,749,540
Total		41,141,905	4,752,356	(7,375,330)	(5,149)	38,513,782

Amortization for the years ended December 31,

2009

7,915,969

2008

7,375,330

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENT						
As at December 31, 2009						
	Remaining useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
Leasehold right	13 years	17,403,273	-	(1,260,936)	1	16,142,338
Software	1-5 years	12,335,468	6,285,600	(5,878,934)	(59,288)	12,682,846
TFEX membership	-	3,414,469	-	-	-	3,414,469
Website development cost	1-3 years	224,881	-	(107,549)	-	117,332
Total		33,378,091	6,285,600	(7,247,419)	(59,287)	32,356,985
Intangible assets under development		2,749,540	3,217,435	-	(5,275,157)	691,818
Total		36,127,631	9,503,035	(7,247,419)	(5,334,444)	33,048,803

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENT						
As at December 31, 2008						
	Remaining useful lives	Beginning balance	Additions	Amortization	Write-off/ Transfer out	Ending balance
Leasehold right	14 years	18,664,209	-	(1,260,936)	-	17,403,273
Software	1-5 yaers	15,676,076	2,002,816	(5,338,275)	(5,149)	12,335,468
TFEX membership	-	3,414,469	-	-	-	3,414,469
Website development cost	3-4 years	332,429	-	(107,548)	-	224,881
Total		38,087,183	2,002,816	(6,706,759)	(5,149)	33,378,091
Intangible assets under development		-	2,749,540	-	-	2,749,540
Total		38,087,183	4,752,356	(6,706,759)	(5,149)	36,127,631

Amortization for the years ended December 31,

2009	7,247,419
2008	6,706,759

Intangibles assets are prepaid broker license and TFEX membership fee. There is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Therefore the Company does not amortize intangibles assets but the Company will test for impairment using a fair value method of discounted cash flows on a semi-annual basis and provision will be made for impairment (if any).

5.10 Other assets

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2009	2008	2009	2008
Accrued fee income	576,113	1,758,743	576,113	382,364
Prepaid expense	1,955,192	2,453,224	1,934,022	2,298,048
Receivable-Revenue Department	10,467,408	9,965,564	10,349,508	9,933,087
Others	1,397,282	3,241,068	939,418	2,588,390
Total	14,395,995	17,418,599	13,799,061	15,201,889

5.11 Post-employment benefits obligation as at December 31

The Company and subsidiary calculated Post-employment benefits obligation by using actuarial technique. The assumptions are included discount rate 5.85%, turnover rate 12%, salary increase rate based on the historical data and retirement age at 60 years.

As at December 31, 2009, the consolidated and the separate financial statements recognized post-employment benefits obligation as liabilities in the balance sheet as at December 31, 2009 of Baht 2,321,000 and Baht 2,312,000, respectively, and recognized post-employment benefits expense of Baht 2,321,000 and Baht 2,312,000, respectively, as expenses in statements of income for the year ended December 31, 2009 which was amortized by using straight-line method over 5 years (see Notes 3.18.2 and 4).

In addition, as at December 31, 2009, the consolidated and the separate financial statements also have post employment benefits obligation of Baht 9,285,358 and Baht 9,249,358, respectively, which have not been recognized as liabilities.

5.12

Unit: B

CONS

SEPAR

FINAN

FINAN

As at

As at

2009

2008

2009

2008

5.12 Other liabilities

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2009	2008	2009	2008
Accrued expenses	9,100,072	9,682,244	8,988,294	9,411,813
Withholding tax payable	2,571,343	1,571,502	2,560,127	1,449,195
Value added tax payable	1,107,560	1,366,575	1,101,348	1,309,260
Others	7,520,721	6,842,091	7,516,771	6,485,548
Total	20,299,696	19,462,412	20,166,540	18,655,816

6. SHARE CAPITAL

On September 30, 2008, the shareholders' extraordinary meeting of a subsidiary passed resolution to increase the authorized share capital from Baht 20,000,000 to Baht 30,000,000 by issuing 1,000,000 new ordinary shares at Baht 10 par value, the company offered the share capital to the existing shareholders proportionate to each shareholding. The subsidiary received payment of the additional share capital and registered the resulting increase in its issued and paid up share capital with the Ministry of Commerce on October 29, 2008.

7. STATUTORY RESERVE

The Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital according to the Public Limited Companies Act B.E. 2535. The statutory reserve could not be used for dividend payment.

8. DIVIDEND PAID

On April 29, 2009, the 2009 Annual General Meeting of the Company's shareholders approved not to pay dividend of the year 2008.

On April 23, 2008, the 2008 Annual General Meeting of the Company's shareholders approved the additional payment of a dividend to its shareholders of Baht 0.03 per share or a total of Baht 19.1 million. The dividend was paid on May 16, 2008.

9. CAPITAL MANAGEMENT

Under the Notification of the Office of the Securities and Exchange Commission Kor/Tor. 18/2549 "Net Capital Requirement - NCR" the Company is to maintain its net capital requirement at the end of the day not less than Baht 15,000,000 and not less than 7% of general liability.

The Company was granted securities business licenses of derivatives agent under The Derivative Act. The Company has to maintain its net capital requirement at the end of the day not less than Baht 25,000,000 and not less than 7% of liabilities and assets held as collateral except if the Company discontinued its derivatives agent business and notified to the Securities and Exchange Commission. The Company, therefore, has to maintain its net capital requirement as mentioned in the first paragraph.

As at December 31, 2009, the Company has net capital requirement of Baht 641,441,086 or 222.01% of liabilities and assets held as collateral (As at December 31, 2008 of Baht 663,746,100 or 390.06% of liabilities and assets held as collateral).

In addition, the objectives of the capital management of the Company are to sustain the Company's ability to continue as a going concern in order to generate returns to the shareholders and to maintain an optimal capital structure.

The subsidiary

Under the Notification of the Securities and Exchange Commissions No. Kor/Nor. 13/2548 regarding "Principle for Maintaining Capital Adequacy and Responsibility Insurance of Securities Company", the subsidiary shall maintain shareholders' equity at least Baht 10,000,000 with the warning level at Baht 15,000,000. In case, the subsidiary

cannot maintain capital adequacy over the warning level, the subsidiary shall report to the Securities and Exchange Commission including the plan to recover its shareholders' equity to the level not less than Baht 15,000,000. As at December 31, 2009, financial statements showed shareholders' equity amount of Baht 6,484,987 (As at December 31, 2008 amount of Baht 17,740,662). The subsidiary complies with the Notification of the Securities and Exchange Commissions above completely, in case the subsidiary cannot maintain capital adequacy required (See Note 1).

In addition, the objectives of the capital management of the Company is to sustain the Company's ability to continue as a going concern in order to generate returns to the shareholders and to maintain an optimal capital structure.

10. FEES AND SERVICE INCOME

(UNIT : BAHT)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2009	2008	2009	2008
Underwriting fee	-	8,507,410	-	8,507,410
Financial advisory fee	1,624,998	6,820,002	-	-
Ongoing fee	7,523,347	13,729,238	7,523,347	13,729,238
Asset management fee	925,547	5,503,113	-	-
Total	10,073,892	34,559,763	7,523,347	22,236,648

11. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

11.1 Directors' remuneration

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position.

11.2 Managements' remuneration

Managements' remuneration represents cash remuneration as salaries, bonus, car allowance and provident fund paid to the Company's managements in accordance with the Notification of the Capital Market and Supervisory Board No. Tor. Jor. 24/2552 dated July 20, 2009 regarding "Prescription of Prohibited Characteristics of Issuing Company's Director and Executive"(see Note 2.4).

12. CORPORATE INCOME TAX

Corporate income tax for the years ended December 31, 2009 and 2008 has been calculated on the net earnings of the Company and its subsidiary after adding back certain expenses which are disallowable for tax computation purposes.

According to the Royal Decree No. 475 B.E. 2551 issued under the Revenue Code regarding the corporate income tax rate deduction effective on August 7, 2008, the corporate income tax for listed companies in the Stock Exchange of Thailand has been reduced from 30% to 25% of net profit which does not exceed Baht 300 million. This will remain in effect for three consecutive accounting periods beginning on or after January 1, 2008. Therefore, the Company has used a tax rate of 25% for the corporate income tax calculations for the years ended December 31, 2009 and 2008 to conform to such tax rate change.

13. PROVIDENT FUND

The Company, the subsidiaries and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The fund is contributed by the employees, the Company and the subsidiaries at the rate of 3 - 10 percent of their basic salary. The Company and the subsidiaries joint the operation with the registered provident fund of The Siam Industrial Credit Public Company Limited since July 20, 1999. The fund is managed by a financial institution and will be paid to the employees upon termination in accordance with the rules of the fund.

Because SSEC Asset Management Securities Company Limited ("Subsidiary") has temporary ceased business, the subsidiary resigned from the provident fund since June 1, 2009. The meeting of the provident fund committee approved the resignation on May 15, 2009 and the provident fund was already paid to the staff.

During the years ended December 31, 2009 and 2008, the Company and its subsidiaries have contributed Baht 10.1 million and Baht 10.5 million, respectively, to the fund and contributed by the Company only Baht 9.7 million and Baht 9.9 million, respectively.

14. RELATED PARTY TRANSACTIONS

During the years, the Company and its subsidiaries have significant business transactions with its parent company and related companies (related by way of common shareholders and/or common directors) in respect of lending, advance and provision of service. Such transactions have been concluded on the terms and conditions are in the normal course of business and trading conditions are summarized below:

(UNIT : BAHT)

	CONSOLIDATED		SEPARATE		
	FINANCIAL STATEMENT		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		Pricing policy
	2009	2008	2009	2008	
Parent company					
Brokerage fees income	210,958	1,450,527	210,958	1,450,527	0.20% of trading volume
Interest income	1,749,768	1,133,091	1,384,114	730,202	0.50% - 4.50% per annum
Dividend payment	-	13,393,736	-	13,393,736	As declared
Subsidiaries					
Service income	-	-	411,320	468,320	Market price and cost plus margin
Dividend income	-	-	-	510,000	As declared
Commission expenses	-	-	-	8,008,059	Market price
Fee expense	-	-	-	54,855	Market price
Interest expenses	-	-	-	292,737	3.40% - 4.25% per annum
Related companies					
Fee income	688,852	313,423	688,852	313,423	0.25% - 0.50% of net assets value of the fund
Interest income	285,938	188,495	277,083	181,127	0.25%-3.40% per annum
Insurance expenses	753,163	789,798	727,901	752,983	Market price
Interest expenses	-	1,916,988	-	1,916,988	Minimum overdraft rate (MOR)
Rental and service expenses	13,356,922	14,137,118	12,947,722	13,644,818	Market price
Director and management level employees					
Brokerage fees income	295,433	695,327	295,433	695,327	0.25% of trading volume

The outstanding balances of the transactions have been separately shown in the balance sheet as follows:

(UNIT : BAHT)

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at December 31,		As at December 31,	
Relationship		2009	2008	2009	2008
Parent company					
Cash and cash equivalents					
The Siam Industrial Credit Plc.	Parent company	124,700,000	54,000,000	107,000,000	23,000,000
Related company					
Cash and cash equivalents					
The Siam Commercial Bank Plc.	Shareholder of parent company	42,507,508	11,896,981	37,635,666	10,017,615
Long-term deposits at financial institutions					
The Siam Commercial Bank Plc.	Shareholder of parent company	1,000,000	1,000,000	1,000,000	1,000,000

15. COMMITMENTS AND CONTINGENCIES

a. Long-term lease and service agreements

The Company has commitments under long-term lease and service agreements for building and related service under the lease agreement expenses will be paid in the following years as follows:

(UNIT : BAHT)

Year	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2552	2551	2552	2551
2009	-	22.1	-	19.1
2010	19.6	12.1	19.2	12.1
2011	4.8	3.5	4.8	3.5
2012	0.9	0.5	0.9	0.5

b. The Company has a contingent liability from the transfer of assets and liabilities relating to securities business from The Siam Industrial Credit Public Company Limited, parent company, regarding receivables of the securities business which are in the legal process for collection and are retained by the finance company. The Company may have to compensate the finance company in the amount not exceeding Baht 2.6 million.

c. As at December 31, 2009 and 2008, there were outstanding bank guarantees of Baht 1.4 million

16. FINANCIAL INFORMATION BY SEGMENT

The majority of the operations of the Company involves the single business segment of securities, its subsidiaries provide financial advisory service, private fund management service and other businesses that generally have been granted by the Office of the Securities and Exchange Commission (Thailand). These businesses are mainly carried on in a single geographic area in Thailand. As a result, all revenues, operating profits as reflected in these financial statements are related to the aforementioned industry and geographic area.

The Company and the subsidiaries' financial information by segment securities business and other businesses, for the years ended December 31, 2009 and 2008 are as follows:

(Unit : Million Baht)

	For the years ended December 31,							
	Securities business		Other business		Elimination entries		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenues	367	404	2	15	-	(9)	369	410
Expenses	(349)	(448)	(6)	(5)	6	9	(349)	(444)
Income (loss) before income tax	18	(44)	(4)	10	6	-	20	(34)
Corporate income tax	(4)	-	-	-	-	-	(4)	-
Income (loss) after income tax	14	(44)	(4)	10	6	-	16	(34)
Loss of minority interests	-	-	-	-	5	6	5	6
Net income (loss) for the period	14	(44)	(4)	10	11	6	21	(28)

The financial information by segment, securities business and other businesses, as of December 31, 2009 and 2008 are as follows:

(Unit : Million Baht)

	Securities business		Other business		Elimination entries		Total	
	As at December 31		As at December 31		As at December 31		As at December 31	
	2009	2008	2009	2008	2009	2008	2009	2008
Cash and cash equivalents	197	158	18	22	-	-	215	180
Long-term deposits at financial institutions	3	3	-	-	-	-	3	3
Net investments in debt and equity securities	178	165	1	-	-	-	179	165
Investments in subsidiaries	23	29	-	-	(23)	(29)	-	-
Receivables from Clearing House	16	58	-	-	-	-	16	58
Net securities and derivative business receivables and accrued interest receivables	689	528	-	-	-	-	689	528
Leasehold improvements and equipment - net	39	54	-	-	-	-	39	54
Intangible assets - net	34	38	-	-	-	-	34	38
Deposits	12	14	-	-	-	-	12	14
Clearing Fund	19	18	-	-	-	-	19	18
Other assets	14	16	-	2	-	-	14	18
Total	1,224	1,081	19	24	(23)	(29)	1,220	1,076

17. FINANCIAL INSTRUMENTS

December 31, 2009 and 2008, the Company and its subsidiaries do not have policy to speculate or trade in any derivative financial instruments.

17.1 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiaries to incur a financial loss. The financial assets of the Company and its subsidiaries are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial instruments, less provision for losses, as stated in the balance sheet.

17.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiaries and their cash flows.

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS										
As at December 31, 2009										
Outstanding balances of net financial instruments										
	Floating interest rate	At call	Repricing or maturity dates					Total	Interest rate (%)	
			Within 1 year	1-5 years	Over 5 years	Non-performing Receivables	No interest		Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	30.8	58.7	79.1	-	-	-	46.5	215.1	0.25	0.75-1.50
Long-term deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.00-2.50
Net investments in debt and equity securities	-	-	-	-	-	-	178.5	178.5	-	-
Receivables from Clearing House	-	-	-	-	-	-	16.1	16.1	-	-
Securities and derivative business receivables and accrued interest receivables	-	350.1	-	-	-	86.8	338.6	775.5	-	7
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	18.9	18.9	-	-
Securities and derivative business payables	-	-	-	-	-	-	243.6	243.6	-	-

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS										
As at December 31, 2008										
Outstanding balances of net financial instruments										
	Floating interest rate	At call	Repricing or maturity dates					Total	Interest rate (%)	
			Within 1 year	1-5 years	Over 5 years	Non-performing Receivables	No interest		Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	2.0	33.4	101.0	-	-	-	43.4	179.8	0.75	2.125-3.625
Long-term deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.375-2.500
Net investments in debt and equity securities	-	-	-	-	-	-	165.3	165.3	-	-
Receivables from Clearing House	-	-	-	-	-	-	57.6	57.6	-	-
Securities and derivative business receivables and accrued interest receivables	-	365.5	-	-	-	92.2	162.9	620.6	-	7.75
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	4.6	4.6	-	-
Securities and derivative business payables	-	-	-	-	-	-	142.4	142.4	-	-

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS										
As at December 31, 2009										
Outstanding balances of net financial instruments										
	Repricing or maturity dates							Interest rate (%)		
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non-performing Receivables	No interest	Total	Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	26.0	57.0	63.1	-	-	-	46.5	192.6	0.25	0.75 - 1.50
Long-term deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.00 - 2.50
Net investments in debt and equity securities	-	-	-	-	-	-	178.0	178.0	-	-
Investment in subsidiaries	-	-	-	-	-	-	23.3	23.3	-	-
Receivables from Clearing House	-	-	-	-	-	-	16.1	16.1	-	-
Securities and derivative business receivables and accrued interest receivables	-	350.1	-	-	-	86.8	338.6	775.5	-	7
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	18.9	18.9	-	-
Securities and derivative business payables	-	-	-	-	-	-	243.6	243.6	-	-

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS										
As at December 31, 2008										
Outstanding balances of net financial instruments										
	Repricing or maturity dates							Interest rate (%)		
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non-performing Receivables	No interest	Total	Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	0.1	28.4	75.0	-	-	-	43.4	146.9	0.75	2.125-3.625
Long-term deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.375-2.500
Net investments in debt and equity securities	-	-	-	-	-	-	165.3	165.3	-	-
Investment in subsidiaries	-	-	-	-	-	-	29.0	29.0	-	-
Receivables from Clearing House	-	-	-	-	-	-	57.6	57.6	-	-
Securities and derivative business receivables and accrued interest receivables	-	365.5	-	-	-	92.2	162.9	620.6	-	7.75
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	4.6	4.6	-	-
Securities and derivative business payables	-	-	-	-	-	-	142.4	142.4	-	-

The average yields on the average financial asset balances and the average cost of funds on average financial liabilities for interest bearing financial instruments are presented in the following table:

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2009			
Financial Instruments	Average balance	Interest income/expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	263,984,960	7,130,437	2.70
Long-term deposits at financial institutions	2,607,920	53,404	2.05
Investments in debt and equity securities	129,699,190	-	-
Securities and derivatives business receivables and accrued interest receivables	778,739,788	27,993,339	3.59

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2008			
Financial Instruments	Average balance	Interest income/expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	133,976,413	8,142,604	6.08
Long-term deposits at financial institutions	2,609,431	63,173	2.42
Investments in debt and equity securities	84,137,659	-	-
Securities and derivatives business receivables and accrued interest receivables	974,760,176	52,486,339	5.38
Financial liabilities			
Borrowings	61,225,000	3,010,886	4.92

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2009			
Financial Instruments	Average balance	Interest income/expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	239,332,742	6,755,956	2.82
Long-term deposits at financial institutions	2,607,920	53,404	2.05
Investments in debt and equity securities	129,577,003	-	-
Securities and derivatives business receivables and accrued interest receivables	778,739,788	27,993,339	3.59

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2008			
Financial Instruments	Average balance	Interest income/expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	118,526,564	7,689,579	6.49
Long-term deposits at financial institutions	2,609,431	63,173	2.42
Investments in debt and equity securities	81,242,852	-	-
Securities and derivatives business receivables and accrued interest receivables	974,760,176	52,486,339	5.38
Financial liabilities			
Borrowings	70,600,000	3,303,623	4.68

17.3 Liquidity risk

The periods of time from the balance sheet date to the maturity dates of financial instruments as of December 31, 2009 and 2008 are as follows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS							
As at December 31, 2009							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non-performing receivables	Total
Financial assets							
Cash and cash equivalents	136.0	79.1	-	-	-	-	215.1
Long-term deposits at financial institutions	-	-	2.6	-	-	-	2.6
Net investments in debt and equity securities	-	170.2	-	-	8.3	-	178.5
Receivables from Clearing House	-	16.1	-	-	-	-	16.1
Securities and derivative business receivables and accrued interest receivables	350.1	338.6	-	-	-	86.8	775.5
Financial liabilities							
Payable to Clearing House	-	18.9	-	-	-	-	18.9
Securities and derivative business payable	-	243.6	-	-	-	-	243.6

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS							
As at December 31, 2008							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	78.8	101.0	-	-	-	-	179.8
Long-term deposits at financial institutions	-	-	2.6	-	-	-	2.6
Net investments in debt and equity securities	-	165.3	-	-	-	-	165.3
Receivables from Clearing House	-	57.6	-	-	-	-	57.6
Securities and derivative business receivables and accrued interest receivables	365.5	162.9	-	-	-	92.2	620.6
Financial liabilities							
Payable to Clearing House	-	4.6	-	-	-	-	4.6
Securities and derivative business payable	-	142.4	-	-	-	-	142.4

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS							
As at December 31, 2009							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	129.5	63.1	-	-	-	-	192.6
Long-term deposits at financial institutions	-	-	2.6	-	-	-	2.6
Net investments in debt and equity securities	-	170.2	-	-	7.8	-	178.0
Investment in subsidiary companies	-	-	-	-	23.3	-	23.3
Receivables from Clearing House	-	16.1	-	-	-	-	16.1
Securities and derivative business receivables and accrued interest receivables	350.1	338.6	-	-	-	86.8	775.5
Financial liabilities							
Payable to Clearing House	-	18.9	-	-	-	-	18.9
Securities and derivative business payable	-	243.6	-	-	-	-	243.6

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS							
As at December 31, 2008							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	71.9	75.0	-	-	-	-	146.9
Long-term deposits at financial institutions	-	-	2.6	-	-	-	2.6
Net investments in debt and equity securities	-	165.3	-	-	-	-	165.3
Investment in subsidiary companies	-	-	-	-	29.0	-	29.0
Receivables from Clearing House	-	57.6	-	-	-	-	57.6
Securities and derivative business receivables and accrued interest receivables	365.5	162.9	-	-	-	92.2	620.6
Financial liabilities							
Payable to Clearing House	-	4.6	-	-	-	-	4.6
Securities and derivative business payable	-	142.4	-	-	-	-	142.4

17.4 Foreign exchange risk

As at December 31, 2009 and 2008, the Company and its subsidiaries do not have any material financial instruments in foreign currencies.

17.5 Fair value

The approximate fair values of most financial assets and financial liabilities are based on the amounts recognized in the balance sheet as they are short-term and non-interest sensitive except for the fair values of investments. For investments in trading and available-for-sale securities, fair values are based on quoted market price. For general investments in non-listed equity securities, fair values are estimated from net cost after impairment (if any). For held-to-maturity debt securities, fair values are estimated by using discounted cash flows analyzes based on current interest rates and remaining years to maturity.

As at December 31, 2009 and 2008, fair values of financial assets and liabilities are not significantly different from their carrying values.

18. APPROVAL FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by authorized director of the Company on February 17, 2010.



บริษัทหลักทรัพย์ ซิกโก้ จำกัด (มหาชน)
SICCO SECURITIES PUBLIC COMPANY LIMITED
www.ssec-online.com

130-132 1st-2nd Floor. Sindhorn Tower 2 and 12th Floor. Sindhorn Tower 3
Wireless Road. Lumpini, Patumwan, Bangkok 10330 Tel. 0-2627-3100 Fax. 0-2263-2043