



บริษัทหลักทรัพย์ ซิกโก้ จำกัด (มหาชน)
SICCO SECURITIES PUBLIC COMPANY LIMITED

Your Wealth Our Value

รายงานประจำปี 2553
Annual Report 2010

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Financial Highlights of The Company

»» Financial Highlights of The Company

	2010	2009	2008
Financial Position (Million Baht)			
Total Assets	1,396.57	1,217.50	1,062.43
Total Liabilities	465.97	305.82	176.06
Total Equity	930.59	911.67	886.36

Financial Performance (Million Baht)			
Total Income	400.74	368.01	397.72
Total Expenses	344.89	338.72	428.05
Income (Loss) before Income Tax	55.85	29.29	(30.32)
Net Income (Loss)	38.04	25.31	(30.32)

Per Share (Baht)			
Book Value Per Share	1.46	1.43	1.39
Earning Per Share	0.060	0.040	(0.048)
Par Value	1.00	1.00	1.00
Dividend Per Share	0.03*	0.03	-

Profitability (%)			
Return on Equity (%)	4.13	2.81	(3.33)
Return on Assets (%)	2.91	2.22	(2.46)

Other (%)			
Net Capital Ratio (%)	166.78	222.01	390.06

*To approve dividend payment for the financial year 2010 in the Annual General Meeting of the shareholders for the year 2011 on 27 April 2011.



Message from the Board of Directors



Message from the Board of Directors



During the first six months in 2010, securities business encountered serious fluctuations as investors were anxious about stability of the global financial market commencing from the debt crisis in European countries, recession in the USA had not recovered, and the domestic political unrest. However, during the second half of the year, political situation became stable as local and foreign institutional investors started to invest in the Stock Exchange of Thailand (SET). Additionally, the Thai surplus balance of trade's figures resulted in rapidly strengthening of the Baht in the 3rd quarter when comparing to regional currencies. The new round of US expansionary monetary policy through purchasing of bonds encouraged large monetary flow into the country through stock market and fixed income securities market. All these factors resulted in continuously improving daily average trading value, and the SET index adjusted to its highest level at 1,049.79

points in November 8, 2010 from the lowest level at 685.89 points in February 9, 2010. Daily average trading value in 2010 was at Baht 28,668.97 million comparing to Baht 17,853.82 million in 2009.

In 2010, the Company and its subsidiaries registered a net profit of Baht 38.58 million which equaled to Baht 0.061 earning per share, or an increase of 81.16%, when comparing to a net profit of Baht 21.29 million in 2009. Significant factors influencing the Company's performance were as follow:

1. Securities brokerage income, the main business of the Company, increased from that of 2009 by Baht 47.27 million, or 16.32%. In 2010, securities brokerage income registered at Baht 336.92 million comparing to Baht 289.65 million in 2009. The main cause for increasing in the securities brokerage income was from the higher securities trading value while the Company's market share adjusted slightly lower from 1.49% in 2009 to 1.48% in 2010.
2. Derivatives brokerage income decreased by Baht 17.80 million or 52.89% when comparing to Baht 33.66 million in 2009. This was due to the Company's market share that was drastically reduced from 1.86% in 2009 to 0.73% in 2010 as the result of losing on high volume trade accounts in the derivatives business.
3. The Company and its subsidiaries' income from fees and services amounted to Baht 15.03 million, an increase of Baht 5.88 million or 19.06% from 2009 due to the subsidiaries income as financial advisor which increased to 273.54% from 2009.

»» Message from the Board of Directors

4. Income from interest on margin loans in 2010 increased from figure in 2009 which amounted to Baht 3.19 million or 11.39%. As the Company extended more credit to customers for securities trading, the securities trading value from the credit balance accounts showed an amount of Baht 43,068 million comparing to an amount of Baht 17,801 million in 2009.
5. Total expenses of the Company and its subsidiaries in 2010 was at Baht 348.95 million comparing to Baht 338.52 million in 2009, or an increase from previous year of 3.08%. The main causes were from the Company's additional marketing promotion plan, amortization of assets in subsidiaries, and decreasing expenses from bad debts and doubtful accounts in which the Company received payments from debtors, and there was no item on allowance for doubtful accounts in 2010.

In 2011, the Company is determined to pursue policies and business plans that aim to expand its retail customer base through the internet trading service. During 2008 and 2010 period, the Company has realized that customers through the internet trading have been growing continuously. In 2010, the internet trading was at Baht 85,406 million, comparing to Baht 46,585 million and Baht 28,486 million in 2009 and 2008 respectively. The Company, then, realizes the importance on development potential of the internet trading by improving and developing its internet system's capability with better speed, more users' friendly, and covering the settlement service, etc.

Moreover, in participation with liberalization of the brokerage commission in the future which may result in decreasing trend for the Company's income, the Company has anticipated with strategy on expansion of retail customers using the mass customization concept through various forms of marketing promotion plans. This will emphasize on products and services which are in accordance with various requirements of the customer group.

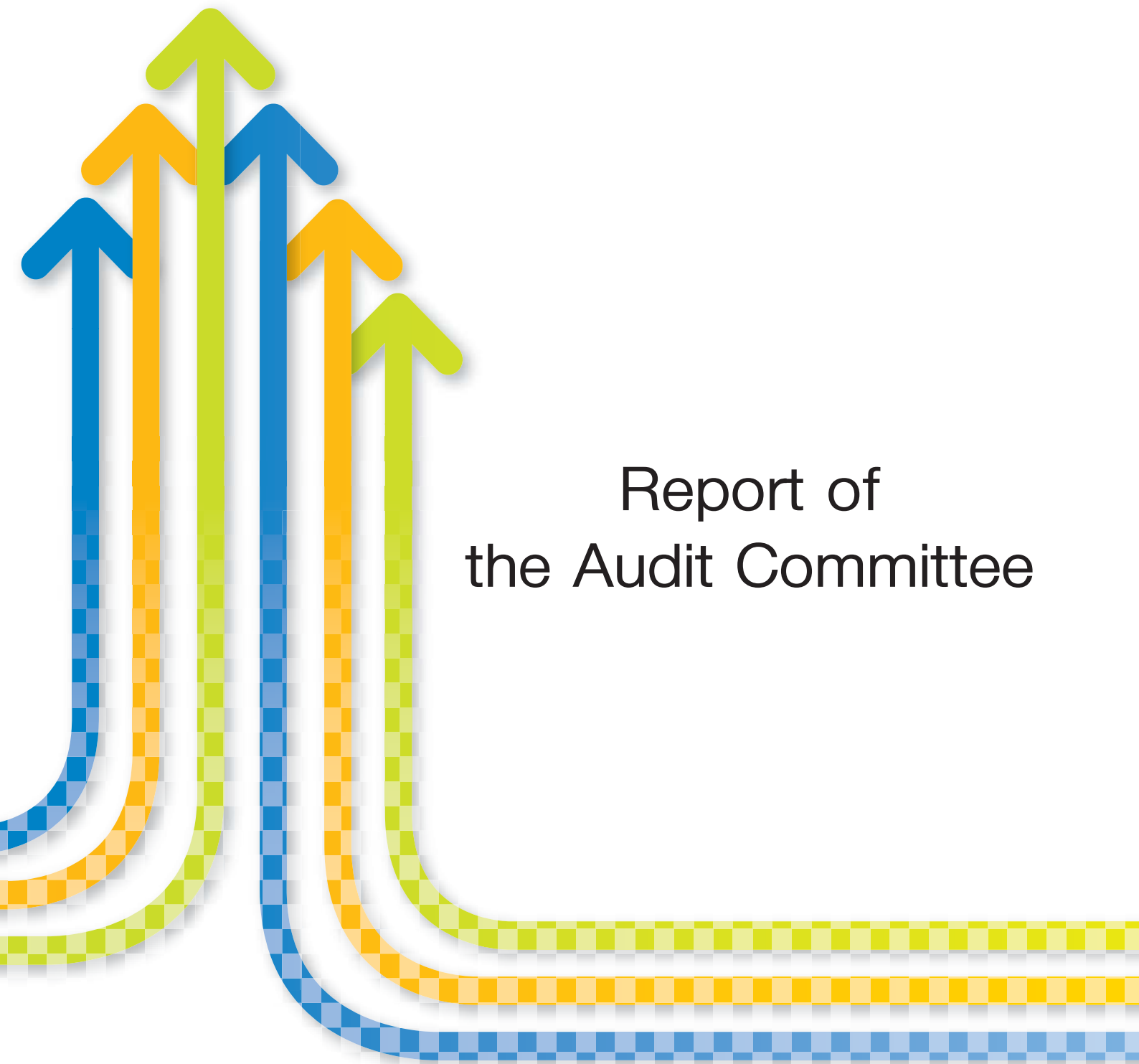
The Company still emphasizes on generating constant growth with continual human resources development plan, service quality development, efficient costs and expenses management, and also the good corporate governance.

Finally, on behalf of the Company's Board of Directors, I would like to thank all shareholders, customers, and staff for constant supports. The Company hopes to continue receiving these supports in operating its business through all obstacles and to prosper as a quality securities company.



(Miss Wanvimol Chotipuech)

Chairman



Report of
the Audit Committee

»» Report of the Audit Committee



The Audit Committee of SICCO Securities Public Company Limited consists of 3 independent directors, namely Mr. Yothin Pibulkasetkij as the Audit Committee Chairman, Mr. Apichai Anukularmphai and Mr. Nophadol Yingchat-chaval as the Audit Committee members. Not only qualified under the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, all these directors had also completed the Audit Committee Program organized by the Thai Institute of Directors in 2010 in order to enhance the capacity in performing their fiduciary duties as the Audit Committee more efficiently and effectively.

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 2010, the Audit Committee had 5 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 were adequately disclosed and correctly prepared according to generally-accepted accounting standards. The Committee held meetings with external and internal auditors to freely and openly discuss the audit results.
2. Reviewing and assessing the adequacy of internal control system in various areas, reviewing the operations of the Audit and Compliance Division, and approving 2010 Audit Plan as appropriate to and in consistent with possible risks.
3. Reviewing and monitoring the Company's risk management related to securities business, based on the Risk-Based Approach guidelines of the Office of 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 corporate business risks.

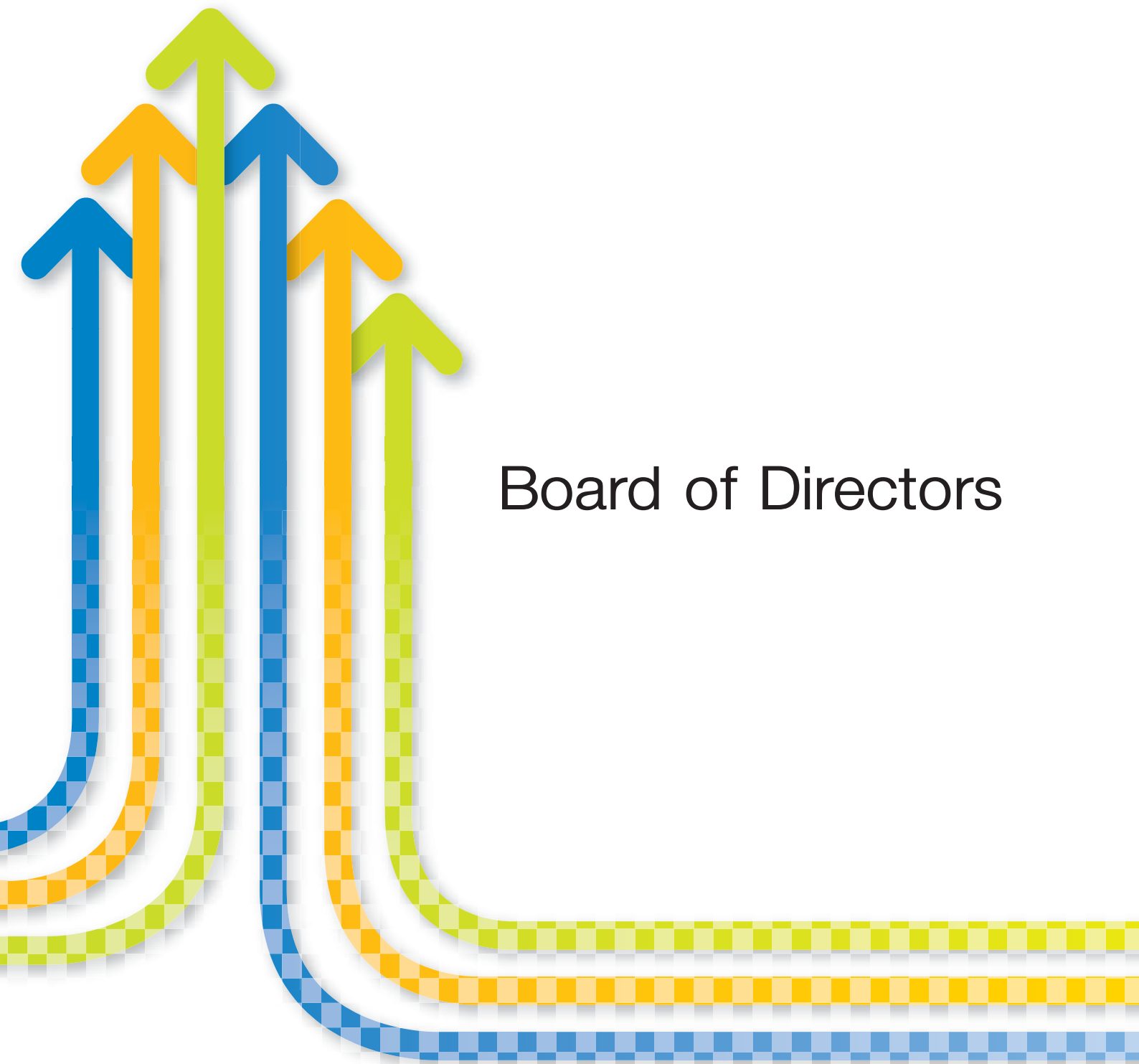
»» Report of the Audit Committee

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 by 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.

Upon reviewing the audit report and the performance of the Audit and Compliance Division, the Audit Committee opined in common that the Company had an appropriate and adequate internal control system which was in consistent with corporate goals and risks. It was also agreed that the Company's financial statements had disclosed sufficient information according to generally-accepted accounting standards and the external auditor's report; the connected transactions had been carried out in compliance with the Company business nature and normal business practice; and the Management had executed the business as indicated by the corporate policy, within a framework of ethical conducts and without conflicts of interest.



(Mr. Yothin Pibulkasetkij)
Audit Committee Chairman
February 16, 2011



Board of Directors

»» Board of Directors



1

Ms. Wanvimol Chotipuech

Chairman

Chairman of the Executive Directors

Compensation Committee Member



2

Mr. Yothin Pibulkasetkij

Independent Director

Audit Committee Chairman

Compensation Committee Member



3

Mr. Apichai Anukularmphai

Independent Director

Audit Committee Member

Compensation Committee Member

»» Board of Directors



4

Mr. Nophadol Yingchatchaval

Independent Director
Audit Committee Member
Compensation Committee Member



5

Mr. Siripong Sutharaj

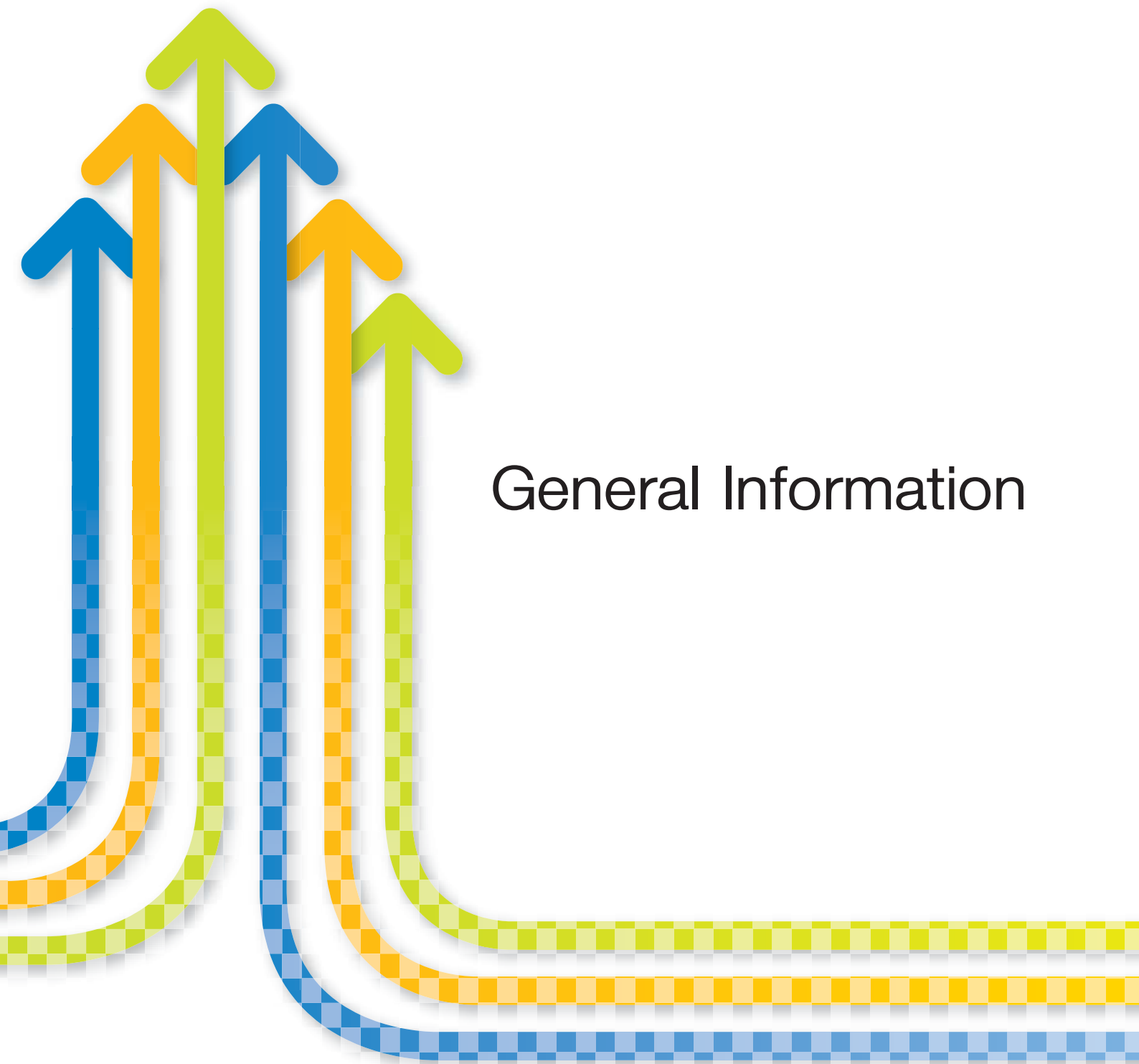
Director
Executive Director
Chief Executive Officer and
President



6

Mr. Chakkris Uthayophas

Director
Executive Director
Senior Deputy President



General Information

»» General Information

»» Name and Location of Head Office, Branch Offices and Subsidiary Company

»» 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

»» 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

»» 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.sseclick.com>

»» 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

»» General Information

»» Branch Office in Region

»» Mee Chok Plaza Branch

206/25 Moo 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

139/1 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

»» General Information

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

	SICCO Advisory Co., Ltd.	SSEC Asset Management Securities Co., Ltd.
Registration No.	0105545029400	0105549121505
Type of Business	Financial Advisor	1. Private Fund 2. Investment Advisory
Registration Capital (Baht)	20,000,000	30,000,000
Paid-up Capital (Baht)	20,000,000	30,000,000
Type of Share	2,000,000 ordinary share	3,000,000 ordinary share
Par value (Baht)	10.00	10.00
Investment Amount (Baht)	19,999,930	15,300,000
% of Stake	99.99	51.00
Location	130-132, 12 th Floor, Sindhorn Tower 3, Wireless Road, Lumpini, Patumwan, Bangkok 10330 Tel. : 0-2675-3899 Fax. : 0-2675-3898	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
Comment	-	1. Temporarily suspend the business for 2 years from June 1, 2009 onwards. 2. On August 30, 2010, the Board of Directors' meeting had passed a resolution to dissolve its business and return the fund management license and financial advisory license to the Ministry of Finance. Subsequently, the Ministry of Finance has approved the subsidiary to dissolve fund management business and financial advisory business, which effective on December 31, 2010 onward. The Company has registered the dissolution with the Ministry of Commerce on February 11, 2011.

»» 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

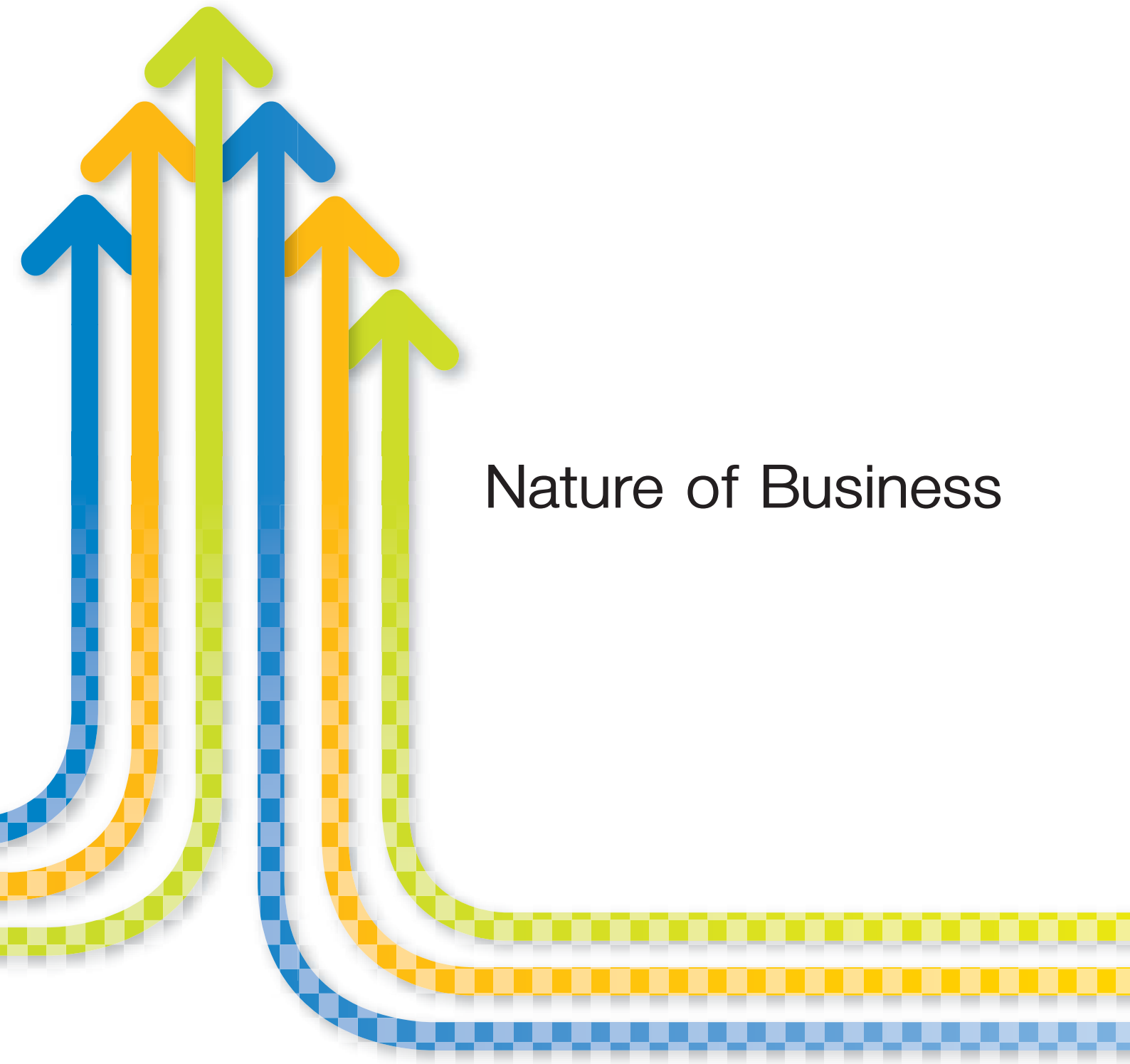
»» Auditors

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. Mr. Chavala Tienpasertkij CPA License No. 4301 and/or
2. Mr. Niti Jungnitnirundr, CPA License No. 3809 and/or
3. Mr. Permsak Jerajakwattana, 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



Nature of Business

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

1. Securities Brokerage Business

The Company's main income is 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.

As for opening of securities trading accounts, options available to the clients are as follows:-

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

- 1.1 Cash Account: Clients can trade securities within the limit approved according to their statement, 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 addition, the Company offers, upon the clients' opening of cash accounts, a special securities trading service under the Easy Wealth Builder program. With this, clients can diversify risks by exercising a monthly securities-savings plan based on the principle of dollar cost averaging. Investors do not need to make a mandatory 15% cash guarantee, and 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 increase their securities buying capacity through a loan for trading, 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 wishing to borrow from the Thailand Securities Finance Corporation (TSFC) for securities trading through the Company's account.

»» Nature of Business

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

	2010	2009	2008
Stock Exchange (M. Baht)	6,188,253*	3,856,510*	3,981,230
The Company (M. Baht)	183,257*	128,952*	119,597
Market Share (%)	1.48*	1.49*	1.50
Market Rank	24*	26*	25
»» The Company's Trading Volume by Types (M. Baht)			
• Type of Clients*			
– Retail Clients	175,057	122,325	112,728
– Institutional and Foreign Clients	8,197	6,469	6,552
• Type of Accounts (through Marketing Officer only)			
– Cash Accounts	84,871	76,052	75,556
– Credit Balance Accounts	10,423	6,339	14,414
• Type of Ordering Channels			
– Marketing Officer	98,239	82,391	91,111
– The Internet	85,405	46,585	28,486

*Excluding the Company's investment portfolio

2. Derivatives Trading Business

In 2010, the Company provided 5 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.
- 2.2 Stock Futures Contract, guards the investors' investment portfolio against risks while presenting an opportunity for dividend benefits, thus offering higher yields than the average market return. The Derivatives Exchange has designated big-cap high-liquidity ordinary stocks listed on SET 50 Index as underlying assets. At present, 14 stocks announced as underlying assets are ADVANCE, BANPU, BAY, BBL, ITD, KBANK, KTB, LH, PTT, PTTEP, QH, SCB, SCC and TTA.
- 2.3 Gold Futures Contract, offers an alternative of investment via gold, using gold bullion with a purity of 96.5% weighing either 50 or 10 Baht as underlying assets. The advantage lies in that this kind of contract can be sold prior to buying and vice versa and requires less investment than the actual purchase of gold. Therefore, the investors can trade for profits even when the gold prices rise or fall. Gold futures contract thus becomes an interesting alternative to make profit and diversify risks on investment portfolio.

2.4 Interest Rate Futures Contract, a tool for making profits from the movement of underlying interest rates. Being a management tool of risk associated with interest rates, it bears less cost than other tools. The first underlying product issued is standard hypothetical delivery bond under the 5-year Thai government bond with 5% coupon (5Y Gov Bond Futures), trading of which commenced on October 18, 2010. Subsequently, more underlying products have been launched, i.e. the 3-month Bangkok inter-bank off rate (3M BIBOR Futures) and the 6-month Thai Baht fix rate (6M THBFIX Futures), which were first traded on November 29, 2010.

2.5 Options Contract or SET 50 Index Options, where buyers are entitled to buy or sell and the sellers are obliged to fulfill the contracts.

Derivatives Trading Volume

	2010	2009	2008
Derivatives Market (contracts)	9,038,872	6,150,636	4,297,240
The Company (contracts)	66,044	114,705	149,303
Market Share (%)	0.73	1.86	3.47
Market Rank	33	19	9
»» Derivatives Trading Volume (Contracts)			
1. Futures			
- SET 50 Index Futures	30,354	105,602	148,917
- Stock Futures	25,697	2,439	316
- Gold Futures	9,469	5,722	-
- Interest Rate Futures*	0	-	-
2. Options			
- SET 50 Index Options	524	942	70

*Initiated service in 2010

3. Mutual Fund Selling Agent

The Company renders service of selling agent for unit trusts of mutual funds, as an 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 2010, the Company was the Mutual Fund Selling Agent for 18 asset management companies.



Nature of Business

Net Asset Value

	2010	2009	2008
Fund Size* (M. Baht)	1,868,510	1,676,301	1,358,674
The Company (M. Baht)	5,235	5,281	4,789
Market Share	0.28	0.32	0.35

*Excluding Mutual Funds in the liquidation process

Source: The Association of Investment Management Companies

4. Securities Underwriting Business

Well-equipped with strong customer base, business partnership and expert team, the Company, well-equipped with strong customer base, provides securities underwriting business for securities issuers who wish to offer their securities, debt instruments and equity instrument for sale to the public.

5. Securities Trading Business

The Company has a policy to invest in securities and derivatives, both in short-term and long-term. In making an investment decision, the Investment Committee will take into account the stability of issuers, safety of investment fund, reasonable return rate, other business relationships or benefits, adequate liquidity and different risks. Monthly investment reports will be submitted to the Executive Committee, who will subsequently propose them to the Board of Directors. Investment policy will be reviewed annually. Loss limitation is determined in compliance with the investment policy approved by the Board of Directors.

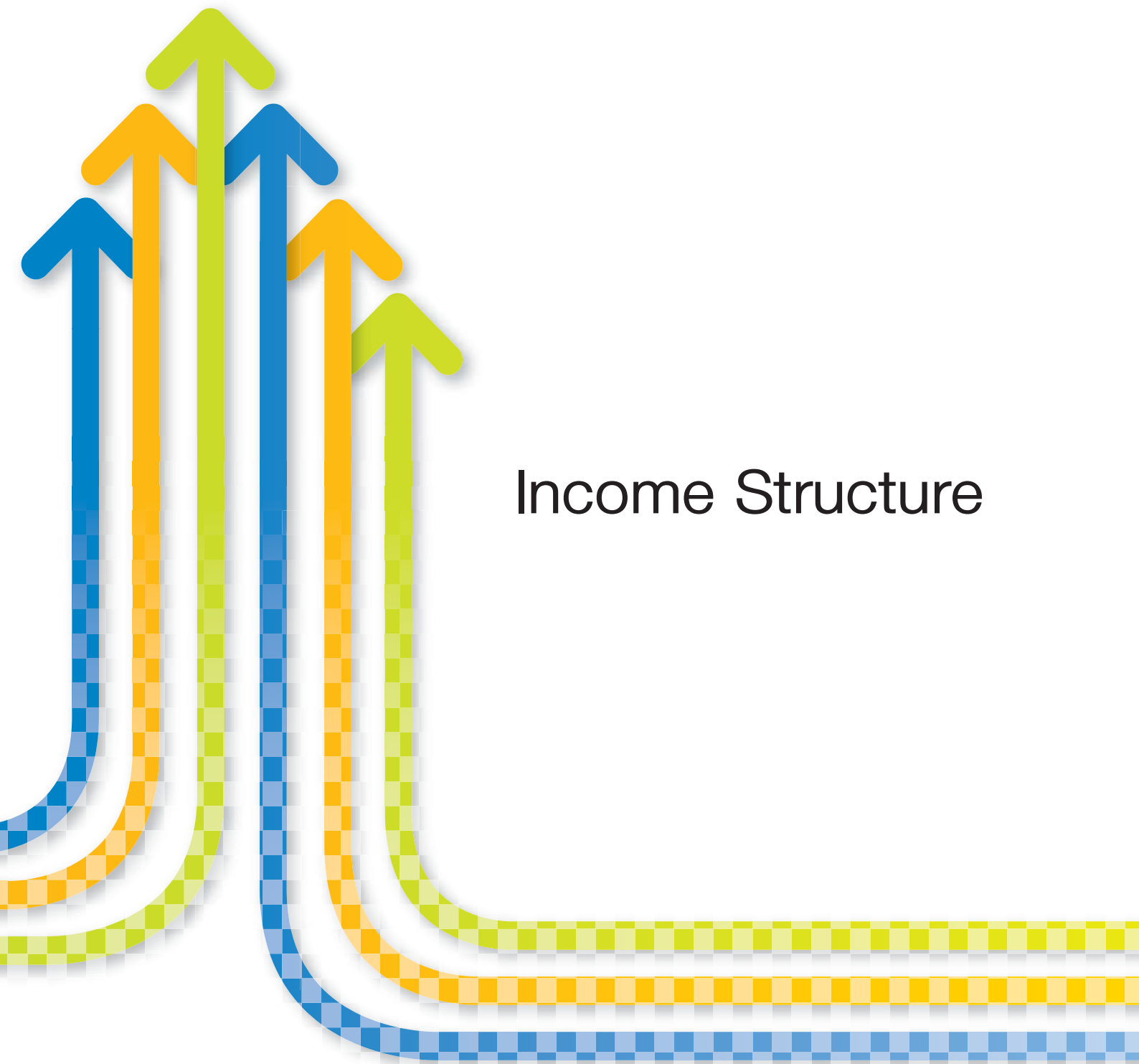
6. Investment Advisory Business

The Company undertakes investment advisory business, rendering advisory services to general or private-placement. Taking into consideration the appropriateness and best interest of the clients, its services consist of securities selection, briefing on investment trend in the SET, and analysis for securities that well match and suit clients' investment plan.

7. Financial Advisory Business

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

In 2010, SAC's main income was from being an independent financial advisor to give opinions on connected transactions, performing securities evaluation, and being a financial advisor for preparation of tender offers.



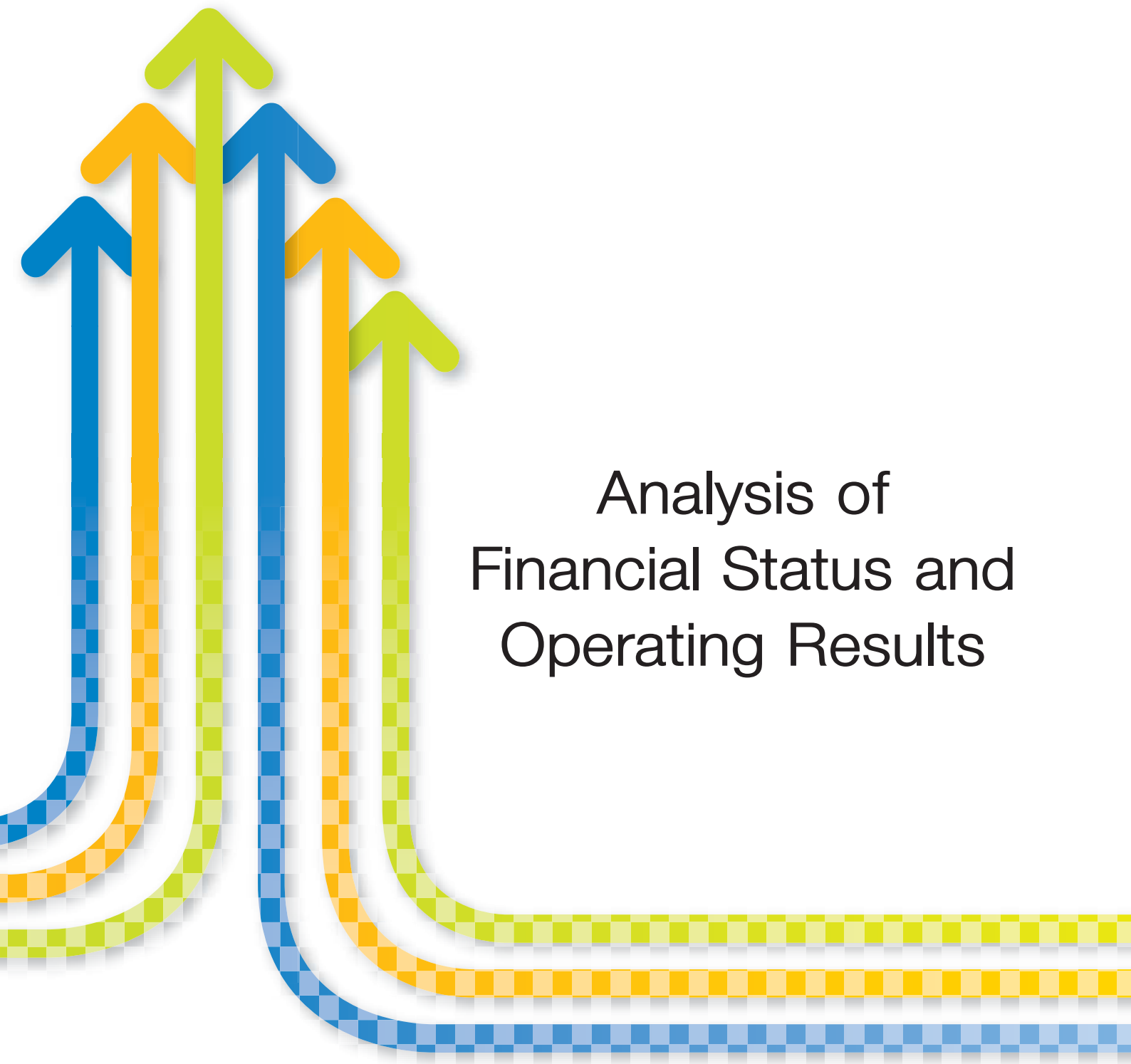
Income Structure

Income Structure

Income	Acquired by	2010		2009		2008	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Securities business income							
1.1 Brokerage fees from							
- securities business	Company	336.92	82.85	289.65	78.38	279.08	68.11
- derivative business	Company	15.86	3.90	33.66	9.11	45.11	11.01
Total fees		352.78	86.75	323.31	87.49	324.19	79.12
1.2 Fees and service income	Company	8.96	2.20	7.52	2.04	22.24	5.43
	SAC	6.07	1.49	1.62	0.44	6.82	1.66
	SSECAM	-	-	-	-	5.50	1.34
Total fees and services income		15.03	3.70	9.14	2.47	34.56	8.43
1.3 Gain (loss)							
- on trading in securities	Company	1.32	0.32	1.26	0.34	(15.81)	(3.86)
	SAC	-	-	-	-	0.11	0.03
- on trading in derivative business	Company	(0.01)	0.00	(0.05)	(0.01)	-	-
Total Gain (loss) on trading in securities		1.31	0.32	1.21	0.33	(15.70)	(3.83)
1.4 Interest and dividend	Company	6.11	1.50	7.33	1.98	11.06	2.70
	SAC	0.22	0.05	0.31	0.08	0.18	0.04
	SSECAM	-	-	-	-	(0.24)	(0.06)
Total interest and dividend		6.33	1.56	7.64	2.07	11.00	2.68
1.5 Interest on margin loans	Company	31.18	7.67	27.99	7.57	52.49	12.81
Total securities business income		406.63	99.99	369.29	99.93	406.54	99.22
2. Other income							
2.1 Gain (loss) on disposal of fixed assets	Company	(0.45)	(0.11)	(0.06)	(0.01)	2.14	0.52
	SAC	-	-	-	-	(0.03)	(0.01)
Total Gain (loss) on disposal of fixed assets		(0.45)	(0.11)	(0.06)	(0.01)	2.11	0.51
2.2 Other income	Company	0.48	0.12	0.30	0.08	1.42	0.35
	SAC	-	-	-	-	(0.08)	(0.02)
	SSECAM	-	-	-	-	(0.24)	(0.06)
Total other income		0.48	0.12	0.30	0.08	1.10	0.27
Total other income		0.03	0.01	0.24	0.07	3.21	0.78
Total Income		406.66	100.00	369.53	100.00	409.75	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 Financial Status and Operating Results

»» Analysis of Financial Status and Operating Results

The SET Index in 2010 closed at 1,032.76 points, rising by 298.22 points or 40.60% when compared to that of 2009 which closed at 734.54 points. The collective SET-MAI market capitalization increased from Baht 4,428,979 million in 2009 to Baht 7,033,947 million in 2010, or a 58.82% increment. The collective average daily trading turnover rose from Baht 18,226 million in 2009 to Baht 29,066 million in 2010, growing by 59.47%.

»» Analysis of 2010 Operating Results Ended December 31, 2010

In fiscal year 2010, the Company and its subsidiaries had net profit of Baht 38.58 million, equal to Baht 0.061 earnings per share, improving by 81.16% when compared to that of 2009 which registered a net profit of Baht 21.29 million. Total income was Baht 406.66 million, increasing by Baht 37.13 million or 10.05% from total income of Baht 369.54 million in 2009.

- Income from securities brokerage fees grew by Baht 47.27 million or a 16.32% increase from Baht 289.65 million in 2009 to Baht 336.92 million in 2010 due to expansion of SET trading turnover. The Company's 2010 trading volume totaled Baht 183,645 million which was, when compared to 2009 trading volume of Baht 128,975 million, equal to a Baht 54,669 million or 42.39% upsurge.

- Income from futures brokerage fees dropped by Baht 17.80 million or 52.89% from Baht 33.66 million in 2009 to Baht 15.86 million in 2010, which coincided with the 42.42% decline in total trading volume of the Company from 114,705 contracts in 2009 to 66,044 contracts in 2010. The Company's market share on futures contract brokerage downed from 1.86% in 2009 to 0.73% in 2010.

- Income from fees and services rose by Baht 5.88 million, equal to a 64.26% increase from Baht 9.15 million in 2009 to Baht 15.03 million in 2010 because of the upturn in financial advisory income. Fee and service income comprised income from private banking, mutual fund management, and financial advisory services, etc.

- Interest income on margin loan increased by Baht 3.19 million or 11.39% from Baht 27.99 million in 2009 to Baht 31.18 million in 2010, due to a rise of average margin loan amount.

- Loss on sale of fixed asset surged by Baht 0.39 million or 703.55% owing to the change of loss amount of Baht 0.06 million in 2009 to Baht 0.45 million in 2010.

- Total expenses of the Company and its subsidiaries rose by 10.43 million, equal to a 3.08% increase from Baht 338.52 million in 2009 to Baht 348.95 million in 2010.

- Fee and service expenses increased by Baht 2.87 million or 10.63% from Baht 27.01 million in 2009 to Baht 29.88 million in 2010. The expenses consisted of fees payable to the SET, TSD and TFEX, all of which varied according to securities trading volume, fees payable to commercial banks in relation to ATS services, business license fees, and etc.

»» Analysis of Financial Status and Operating Results

- Doubtful accounts lessened by Baht 4.42 million as a result of entry reversal upon debt settlement.
- Operating expenses was up by Baht 11.76 million or 3.74% from Baht 314.26 million in 2009 to Baht 326.02 million in 2010, caused mostly by the increase in personnel expenses which corresponded to trading volume, as well as by the staff pension reserve made according to Thai Accounting Standard no.19 on Employee Benefits which required the amortization of future employment remuneration.

»» Financial Status

Total Assets

As at December 31, 2010, the consolidated financial statements showed total assets of the Company and its subsidiaries of Baht 1,402.68 million, increasing by Baht 182.31 million or 14.94% from Baht 1,220.37 million as at December 31, 2009.

- Net investment in debt instruments and equities was Baht 245.41 million, increasing by Baht 66.90 million or by 37.47% from the investment balance at 2009 year-end of Baht 178.52 million, owing to more investment in money market funds that carried low risks and high cash liquidity.
- Net securities and futures receivables of the Company amounted to Baht 836.19 million, increasing by Baht 147.53 million or 21.42% from 2009 year-end sum of Baht 688.66 million, which changed in response to trading activities throughout the last 3 business days before ending of accounting period.
- Securities and futures receivables consisted of Baht 316.36 million receivables on cash accounts, Baht 516.77 million receivables on credit balance accounts, and Baht 76.44 million receivables of other types. Cash account receivables rose by Baht 65.55 million or 26.13% from Baht 250.81 million at ending 2009 to Baht 316.36 million at ending 2010. Credit balance receivables also grew by Baht 166.69 million or 47.62% from Baht 350.08 million at ending 2009 to Baht 516.77 million at ending 2010. In any case, these receivables had deposited higher guarantees than their loan value and had no outstanding balance.
- Net premises and equipment as at December 31, 2010 was Baht 32.82 million, dropping by Baht 6.71 million or 16.97 from net amount of Baht 39.53 million as at December 31, 2009.

»» Total Liabilities

As at December 31, 2010, the Company had total liabilities of Baht 470.19 million, increasing by Baht 164.12 million or 53.62% from Baht 306.07 million as at December 31, 2009.

- Clearing house payables as well as securities and derivatives business payables soared from Baht 18.90 million and 243.57 million at 2009 year-end to Baht 90.69 million and 295.06 million, or by 379.82% and 21.14% respectively. The upsurge was caused by trading activities during the last 3 business days before ending of accounting period.

»» Analysis of Financial Status and Operating Results

- Accrued commission to employees surged from Baht 17.66 million at ending 2009 to Baht 29.53 million at ending 2010, increasing by Baht 11.87 million or 67.19 due to accrued remuneration and bonus payable to marketing officers, which coincided with income growth.
- Corporate income tax payables hiked up from Baht 3.31 million at ending 2009 to Baht 17.01 million at ending 2010, rising by Baht 13.70 million or 413.60% in response to upturn in net profit.
- Post-employment benefit obligations increased from Baht 2.32 million at 2009 year-end to Baht 6.74 million at 2010 year-end, going up by Baht 4.42 million or 190.46%.

»» Sources of Funds

At the end of 2010, the Company's sources of funds were liabilities of Baht 470.19 million and shareholders' equity of Baht 932.50 million, with the debt to equity ratio of 0.5 times. Total liabilities of the Company came mostly from clearing house payables and securities and futures business receivables that collectively amounted to Baht 385.75 million, both of which were items arisen from securities trading by clients. The Company had no loan-related obligations. In addition, it had short-term credit lines readily available for business operations.

The Company had sufficient working capital for undertaking its business. Its capital management was carried out for the purpose of sustaining the Company's capacity for business continuity in order to generate returns to the shareholders and to maintain a fitting capital structure.

»» Maintenance of Net Capital Ratio (NCR)

Under the notification of the Office of Securities and Exchange Commission no. KorThor. 18/2549 on Maintenance of Net Capital Ratio, a securities company is to maintain, at the end of working day, its net capital ratio at not less than Baht 15 millions and not less than 7% of its general liabilities.

Licensed to undertake derivatives trading in the category of derivatives brokerage under the law on derivatives trading, the Company is to maintain, at the end of working day, its net capital ratio at not less than Baht 25 million and not less than 7% of its general liabilities and pledged assets.

On December 31, 2010, the Company maintained its net capital ratio at Baht 763.70 million, equal to 166.78% of the general liabilities and pledged assets. (On December 31, 2009, the Company's net capital ratio was Baht 641.44 million, equal to 222.01% of general liabilities and pledged assets.)

»» Analysis of Financial Status and Operating Results

»» Major Factors Influencing Future Operations or Financial Status

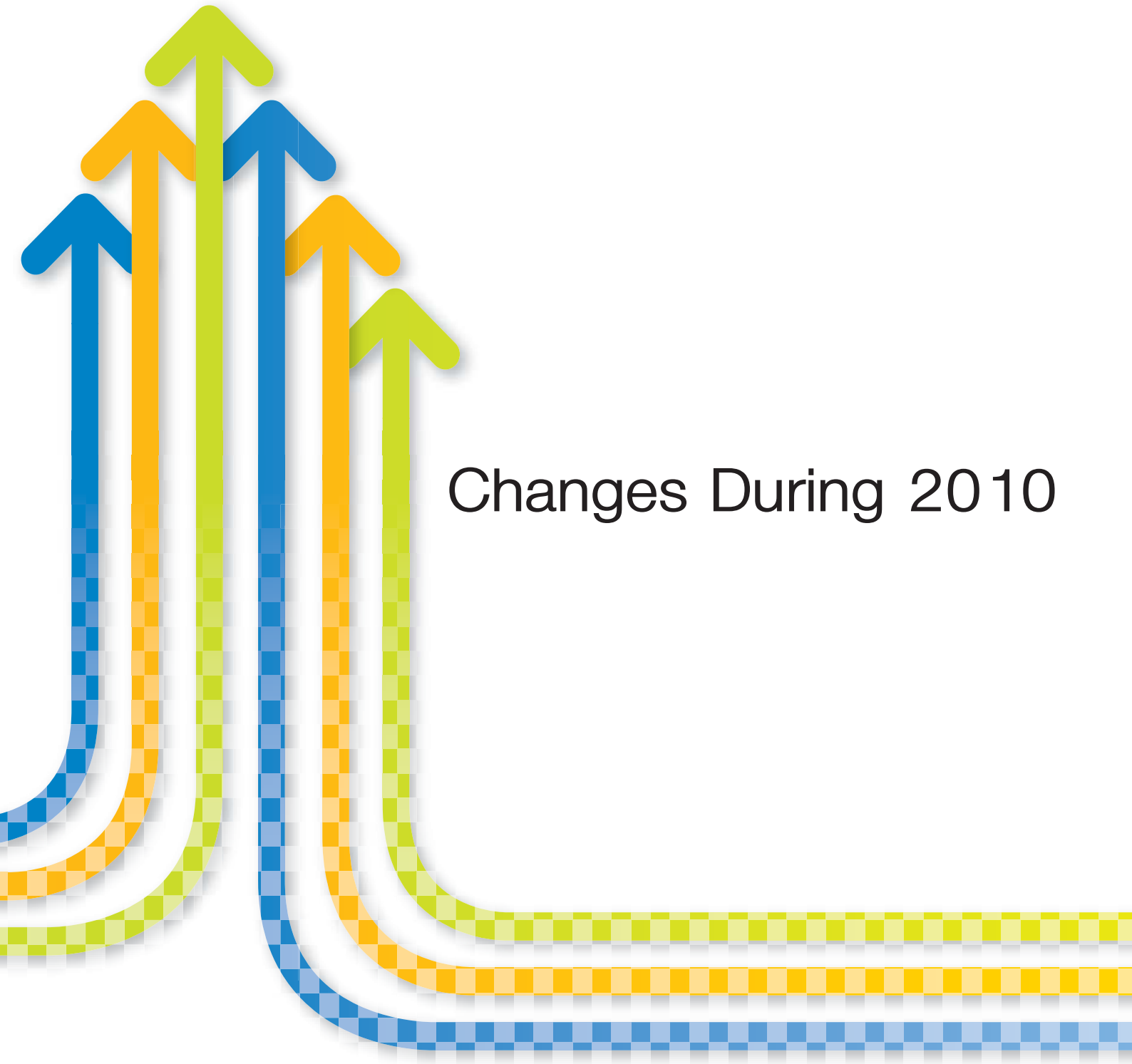
Factors affecting the Company's operations and financial status in the future include Thailand's economic conditions, national political security and stability, globally-interconnected economic situations that can influence investor confidence in investment in stock market, interest rate tendency, oil price movement, etc. Additionally, liberalization of securities brokerage fees may instigate a more intense competition in securities business and have an impact on the Company's securities brokerage income

According to the abovementioned issues, the Company recognizes the need for clear policies and business plans, and thus takes steps to expand its customer base via marketing and personnel strategies. To reduce reliance on securities brokerage fee income, the Company has pursued expansion of such fee-based businesses as private banking, financial advisory services, derivatives agent, etc.

»» Auditor Remuneration

The Company and its subsidiaries paid audit fees and other service fees as follows:-

Client Company	Audit Firm		Audit Fee		Other Relevant Expenses	
	2010	2009	2010	2009	2010	2009
SICCO Securities PCL	Deloitte Touche Tohmatsu Jaiyos Co., Ltd.		1,000,000	1,104,000	-	-
SICCO Advisory Co., Ltd.			110,000	200,000	-	-
SSEC Securities Asset Management Co., Ltd.			60,000	220,000	-	-
Total Audit Expenses			1,170,000	1,524,000	-	-



Changes During 2010

»» Changes During 2010

»» August

- 2 August Initiated the trading service on 10-Baht Gold Futures (96.5% purity) as an alternative for gold futures investors.

»» September

- 25 September Launched the new webpage and changed its url from www.ssec-online.com to www.sseclick.com.

»» October

- 18 October Initiated the trading service on interest rate futures, the 5th product of TFEX, having 5 - year standard government bond with 5% coupon as the underlying asset (5Y Gov Bond Futures).

»» November

- 29 November Adding 2 underlying products to interest rate futures, which were 3-month Bangkok Inter-Bank Off Rate (BIBOR) (3M BIBOR Futures) and 6-month Thai Baht Fix Rate (THBFIX) (6M THBFIX Futures).

»» December

- 1 December Ceased operation of the trading room on 1st floor of Sindhorn Tower 2, originally for services rendered of marketing officer
- 17 December Commencing the new version of internet trading service, which was more user-friendly with shortcut function to the investment page while maintaining key function for trading.
- 31 December The SSEC Asset Management Securities Co., Ltd. (subsidiary) was approved the dissolution of its private fund management business and investment advisory business. Such dissolution was registered with the Ministry of Commerce on February 11, 2011.



Industrial Environment and Competition in Securities Business

»» Industrial Environment and Competition in Securities Business

Securities Business Environment in 2010

»» Equities

Thai stock market in 2010 was the 2nd top gainer of ASEAN region, with index rising by approximately 298.22 points from 734.54 points at 2009 year-end to close at 1,032.76 points at 2010 year-end, or a 40.60% market yield. Foreign investors also benefited from the 10% appreciation of Thai Baht in 2010. In the first quarter, the SET index rose above 800 points, due to inflow of European and U.S. investment capital. Thai stock market in the second quarter went sluggish in response to domestic political turmoil, thus resulting in continuous sale by foreign investors. However, the inclination of local institutional investors to make a net buy when the index plunged lower than 750 points had enabled Thai stock market in the second quarter, though inflicted by political rally and a transient disorder, to stand over 700 points. When the rally-controlled area was taken back and situation abated, Thai stock market stood above 800 points again and rocketed further for the next 5 months because of the local institutional investors' buying and the re-entrance of inflow of foreign investment capital that had descended during the second quarter. The market was supported by such domestic factors as better-than-expected expansion of GDPs in the first and second quarters, and a positive momentum of the export sector, taking up more than 60% of GDP, that recorded over 25% export expansion rate and let Thailand claim a strong surplus in the first half-year. Consequently, Thai Baht started to appreciate by averagely 10% throughout 2010 second-half.

The relative rapid appreciation of Thai Baht as compared to regional outcome, the Eurozone debt crisis, and the U.S. measure on recent quantitative easing (QE2) via bond purchases that depreciated the dollar had attracted a capital inflow worth over Baht 250 billion into Thailand as investment in stock and short-term to long-term derivatives markets. Another contributory factor in the noticeable growth of Thai stock market at the regional level was the fact that 2010 net profits of listed companies had expanded by more than 20%, thereby prompting analysts to adjust the index forecast several times. Nevertheless, Thai stock market had reached its highest level at 1,055.25 points in early November. Expecting an acceleration in the inflationary pressure in 2011, the Bank of Thailand decided to raise the policy interest rate or 1-day R/P rate from the lowest 1.25% to 2% in 2010, which accordingly dampened the intense trading condition in the last month of 2010.

There were 15 new companies (IPO) listed on Thai stock markets in 2010: 8 of which were on the SET and the other 7 on the MAI (whereas in 2009, 18 IPOs were enlisted: 7 on the SET and 11 on the MAI).

Industrial Environment and Competition in Securities Business

At 2010 year-end, the SET Index closed at 1,032.76 points, up by 298.22 points or a 40.60% increase, with the P/E ratio being 15.35 times, the P/B ratio 2.04 times, and market yield 2.92 %. Total market value was Baht 8,334,684 million, increasing from Baht 5,873,100 million last year. Average daily turnover value was Baht 28,668.97 million, higher than Baht 17,853.82 million in the previous year. During the year, the SET Index registered the highest level at 1,049.79 points and the lowest at 685.89 points. The MAI Index at ending 2010 closed at 272.79 points, improving by 57.49 points or 26.70%, with the P/E ratio of 18.39 times and the P/B ratio of 2.08 times. Market dividend yield was 3.11%, and the total market value increased from Baht 39,131 million last year to Baht 55,128 million. Average daily turnover value was Baht 396.93 million, increasing from Baht 372.43 million of the previous year. During the year, the MAI Index registered the highest level at 272.76 points and the lowest at 199.21 points.

Market Overview

	2010	2009
SET Data		
SET Index		
- Closed	1,032.76	734.54
- Highest	1,049.79	751.86
- Lowest	685.89	411.27
Market Dividend Yield (%)	2.92	3.65
Market P/E Ratio	15.35	25.56
Market P/BV Ratio	2.04	1.56
Average Daily Turnover Value		
- Volume (million shares)	4,515.03	3,663.06
- Value (million Baht)	28,668.97	17,853.82
MAI Data		
MAI Index		
- Closed	272.79	215.30
- Highest	272.79	217.83
- Lowest	199.21	148.96
Market Dividend Yield (%)	3.11	4.32
Market P/E Ratio	18.39	22.74
Market P/BV Ratio	2.08	1.66
Average Daily Turnover Value		
- Volume (million shares)	276.87	206.95
- Value (million Baht)	396.93	372.43

Source: The Stock Exchange of Thailand

Industrial Environment and Competition in Securities Business

For trading transactions by investor types, foreign investors made a net buy of Baht 81,723.80 million. Proprietary trading had a net buy of Baht 448.87 million, while those of institutional and local investors were Baht 15,199.64 million and Baht 66,075.30 million respectively. Details are as follows:

Unit: Million Baht

2010	Institutional Investors		Proprietary Trading		Foreign Investors		Local Investors	
	Value	%	Value	%	Value	%	Value	%
Buy	525,777.11	7.58	844,849.82	12.18	1,332,648.34	19.21	4,234,614.60	61.04
Sell	540,976.75	7.80	845,298.69	12.18	1,250,924.54	18.03	4,300,689.90	61.99
Net	-15,199.64	-	- 448.87	-	81,723.80	-	- 66,075.30	-

Source: The Stock Exchange of Thailand

Derivatives

In 2010, sales volume of derivatives market increased from 12,771 contracts/ day in 2009 to 18,676 contracts/day, with 5 types of product being traded on the market: SET50 index futures, single stock futures, gold futures, interest rate futures and SET50 index options. According to the Thailand Future Exchange (TFEX), SET50 index futures had the highest proportion of sales volume of 54.68% (10,212 contracts/day) of the total trading volume, followed by gold futures and single stock futures that accounted for 21.49% (4,014 contracts/day) and 21.45% (4,006 contracts/day) of the total trading volume. Derivatives investors in 2010 could be categorized according to types as follows:-

Types of Investor	2010		2009	
	Contracts	%	Contracts	%
Institutional investors	2,955,662	32.70	1,746,976	28.40
Local individuals	5,171,434	57.21	3,711,080	60.34
Foreign investors	911,776	10.09	692,580	11.26
Total	9,038,872		6,150,636	

Source: Thailand Future Exchange Public Company Limited

Mutual Fund

In 2010, the mutual fund industry in general improved continually. According to the Association of Investment Management Companies, the net asset value of total funds grew at a higher rate than that of 2009. At the end of December 2010, the fund net asset value was Baht 2.09 trillion, increasing by 10% from the previous year, whereas the same at the end of December

Industrial Environment and Competition in Securities Business

2009 was Baht 1.85 trillion, or a 21% increase from that of 2008. On the whole, the mutual fund net asset value in 2010 benefited from the robust economic recovery, especially in Asian region. This was accompanied by the increasingly adverse economic situation in Europe and the uncertainty about economic recovery in the U.S., which moved massive inflow of investment capital into Asian region, including Thailand, and thus caused the overall investment circumstance to improve.

Net Asset Value and Growth Rate

	2010	2009	2008
Fund Size (billion Baht)	2,031.66	1,845.66	1,526.81
Growth rate (%)	10	21	- 5

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 1.26 trillion (7% increasing from last year), the second to which was equity fund at Baht 0.43 trillion (25% increasing from last year). In 2010, asset management companies opted to invest mainly in the stock market as the SET Index had rapidly grown in response to stronger national economic factors, which were reflected in relatively better operating results of most listed companies. In contrast, foreign investment fund (FIF) was the only fund that had its net asset value diminished to Baht 0.43 trillion (23% decreasing from last year) due mainly to lingering economic problems in foreign countries, especially the EU and the U.S.

In terms of growth rate, those mutual funds investing in the stock market enjoyed remarkable growth rates, where long-term equity fund (LTF) had the highest growth rate 52%, followed by retirement mutual fund (RMF) with 35% of growth. On the contrary, foreign investment fund was the only fund having a growth rate of -23%.

Competition in Securities Business

Equities

In 2010, competition in securities industry was fairly intense, either in vying for customers, enhancing service quality, utilizing such new technologies as the SET-developed streaming program for trading on iPhones, providing prompt trading advices, or attracting personnel from other companies of the same industry. During the year, Thanachart Capital PCL offered to buy the Siam City Bank PCL, thus suggesting the prospect of merger between the two firms. In the beginning of the year, the competition was on a fiercer trend owing to the launch of sliding scale calculation of brokerage fees during 2010-2011, which would likely cause brokerage fee income to drop.

»» Industrial Environment and Competition in Securities Business

With the liberalization of brokerage fees taking effect in 2012, securities companies sought alternative income sources in order to reduce their reliance on brokerage fees from securities trading services, by developing new financial products and services like derivatives warrants. Being new products in the stock market and of rather high yields, they became popular among investors. Most of derivatives warrants issued were call warrants since the stock market in 2010 was a bull market. Private fund services and management of their own portfolios were pursued in order to ease its reliance on brokerage fee income that was on the downturn. In addition, 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 in 2010 indicated the high reliance on brokerage fees at over 65% of total income.

In 2010, there were 38 securities companies being the SET member companies. The number was so high that it incited correspondingly high competition in securities business. Average market share was at 3.26%, whereas the company with the highest market share gained 12.71% and the one with the lowest share gained only 0.03%. There were 24 companies having market share below average.

Table: Market Share of the Securities Trading Companies in 2010

Rank	Abbreviation	Market Share (%)
1	KIMENG	12.76
2	CGS	5.94
3	ASP	5.26
4	KGI	4.65
5	PST	4.61
6	KTZ	4.60
7	FSS	4.53
8	TNS	4.51
9	BLS	4.37
10	PHATRA	4.20
11	CS	4.00
12	UBS	3.53
13	KS	3.47
14	SCBS	3.23
15	TSC	2.69

»» Industrial Environment and Competition in Securities Business

Rank	Abbreviation	Market Share (%)
16	UOBKHST	2.58
17	DBSV	2.53
18	CNS	2.38
19	MACQ	2.22
20	GLOBLEX	2.15
21	AYS	2.12
22	CLSA	1.87
23	KKS	1.51
24	SICSEC	1.48
25	JPM	1.29
26	BFITSEC	1.16
27	TRINITY	1.13
28	AIRA	1.06
29	CIMBS	0.93
30	SCIBS	0.86
31	US	0.84
32	FES	0.73
33	IVG	0.62
34	ACLS	0.16
35	MERCHANT	0.03

Source: The Stock Exchange of Thailand

»» Industrial Environment and Competition in Securities Business

»» Derivatives

In 2010, TFEX experienced a more severe competition when compared to 2009 because of a higher buy by proprietary portfolios. The increment in gold prices from \$ 1,043 to \$1,430 was the key factor influencing intensity of competition in gold futures market. Trading volume on single stock futures rose from 2009 by 565% in line with the upturn of Thai stock market. Trading volumes of each product on the TFEX could be divided as follows:-

Trading Volume (contracts)	2010	2009	Change (%)
Futures	8,824,238	5,959,628	48.07
SET50 Index Futures	4,942,604	5,044,930	- 2.03
Stock Futures	1,938,706	291,516	565.04
Gold Futures	1,942,846	623,182	211.76
Interest Rate Futures*	82	-	-
Options	214,634	191,008	12.37
SET50 Index Options	214,634	191,008	12.37
- Call	110,332	94,436	16.83
- Put	104,302	96,572	8.00
Total Market - Volume	9,038,872	6,150,636	46.96

*Initiated service in 2010

Securities Business Outlook for 2011

»» Equities

Thai stock market in 2011 is expected to be more volatile when compared to the 2010 bull market. Thailand will enjoy a lavish capital inflow supported by positive factors encompassing the GDP growth of around 8%, the appreciation of Thai Baht, the increase in SET-listed companies' aggregate performance of over 20%, the Eurozone debt crisis, and the U.S. economic recovery. However, the effect of aforesaid factors will subsequently wane as it has been forecast that the 2011 GDP will grow by 3.5-4.5%; Thai Baht will not rise beyond Baht 28 per dollar due to greater inflationary pressure; and performance of SET-listed companies will expand by 12-15%. U.S. economic recovery must be observed closely. If employment rate improves and unemployment rate shows sign of decline, the U.S. dollar will correspondingly pick up for the first time after 10 years of constant depreciation. Such case will lead to outflows of capital from stock markets throughout Asia, including Thailand. The SET Index is therefore anticipated to be in the range of 1,189-1,220 points, with potential volatility in the first quarter where adjustments of investment portfolios by institutional investors normally take place. Investment in 2011 is likely to be selective because prices of many



Industrial Environment and Competition in Securities Business

stocks have risen considerably in the previous year. Sensible selection of stocks in 2011 then means promising returns. After the second quarter, the direction of Thai stock market will become apparent upon the announcement of dividends for 2010 performance and the probable results of 1/2011 operations. Also in the second quarter, U.S. economic recovery will depict a clearer movement after the expiration of quantitative easing 2 (QE2) and the possibility of QE3, which can impact the return of capital inflow into stock market.

Competition in securities business in 2011 tends to be more aggressive. Prior to business liberalization in 2012, stock markets across the world are likely to fluctuate. Analyst papers and investment advices will therefore be more crucial, and be used by many securities companies as service distinction. Additionally, securities companies will seek more income sources other than brokerage fees.

»» Derivatives

In 2011, derivatives market will give priority to increasing the liquidity of its products, by co-organizing promotional activities with its members in order to provide investors with trading strategies, encouraging publication of analyst papers, and launching more products as alternatives for investors, e.g. silver futures or oil futures. Meanwhile, trading hours will be extended into nighttime, so that investors trading on unremittingly-traded commodities like gold or silver can manage their risks more efficiently. It is expected that the minimum trading volume in 2011 will be around 20,000 contracts/day.

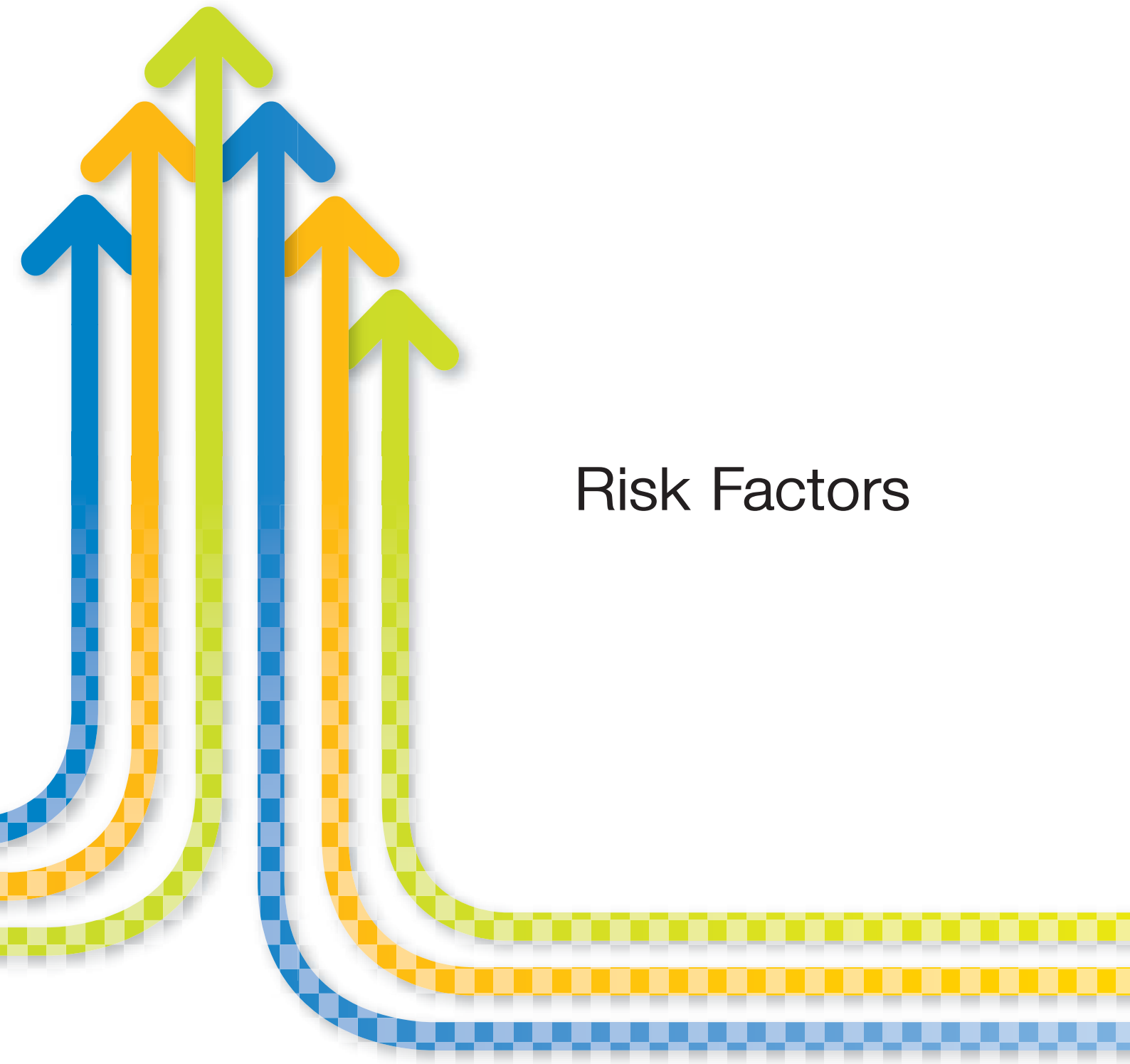
»» Mutual Fund

In view of mutual fund business trend, 2011 will be a year in that fund managers need to devise a great deal of strategies for managing their investment portfolios since investment condition will be increasingly volatile due to unstable economic recovery overseas. It is expected that net asset value of overall funds in the industry will continue to expand, yet at a low rate. Factors significant to the said overview are as follows:-

1. European economic problems and risks develop continually, and the U.S. economic recovery still relies on the Federal Reserve's support. In the mean time, Asian economy will be less active after different countries implement measures to curb inflation induced by the skyrocketing commodity prices in the past year, which provokes among investors the anxiety about investment in risk assets.

»» Industrial Environment and Competition in Securities Business

2. Domestic factors will lose powerful supports received last year, because the economy will grow at a normal rate subsequent to the fairly high rate in the previous year while the government has yet to issue new economic stimulus package. With the probability of election this year, however, political factors are likely to affect the investment atmosphere again since more policies by the new government will be announced.
3. Debt instrument market will remain popular as most of large-scale companies in Thailand still pursue investment expansion and thus be in need of fundraising. Interest rates are on the upward bound this year because the Bank of Thailand has used monetary policies in controlling inflation rates, which will result in the volatility of debt instrument investment.



Risk Factors

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

According to the sliding scale method of brokerage fee calculation stipulated by the SEC and the SET, the rate of brokerage fees during January 2010 to December 2011 will be in inverse proportion to the transaction volume, and such rate is negotiable when the transaction volume rises to certain extent. Furthermore, from January 1, 2012 onwards, the liberally negotiable brokerage fee rate will be implemented along with the liberalization of securities business license in unlimited numbers. The brokerage fee adjustment and liberalization in the future will result in a more serious competition for market share among securities companies, thus affecting the Company's profitability. However, the Company is well aware of such risk and therefore has taken steps to cope with a bound-to-intense competition by devising strategies for the distribution of its income structure so that it does not rely solely on brokerage fee income, as well as providing a greater variety of financial products to satisfy customer needs, bettering efficiency of Internet-based securities trading system, controlling expenses efficiently and promoting skill and knowledge development for marketing officers in order to deal with the changing nature of securities business.

2. Risk from Stock Market Fluctuation

The Company's income is mainly from brokerage fees from securities trading, the volume of which depends on the entire market condition and investor confidence. Either domestic or international uncontrollable factors such as political crisis, economic situation, EU fiscal solvency and etc can influence securities trading and eventually affect its market share and brokerage fee income. To mitigate the risk that stock market fluctuation poses on its brokerage fees, the Company has improved its income structure and business activities so that it does not depend on any area of income and thus provides appropriate services according to market conditions, e.g. unit trust selling services, financial advisory services for debt restructuring, merger and acquisition, etc.

3. Risk from Dependence on Major Customers

With brokerage fees from retail customers being its key income, the Company may be exposed to risk from high-volume customer concentration. In order to reduce such risk, it has a policy on expanding retail customer base via various promotional marketing plans, such as Easy Wealth Builder program, point collection campaign to boost trading volume among retail customers, constant learning scheme for investors and effort to enlarge institutional customer percentage.

4. Risk Regarding Personnel

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, personnel with aforesaid qualifications and customer base are extremely in need, leading to the vying for recruitment and shortage of marketing staff.

Consequently, the Company has adopted a policy to continually develop personnel knowledge and skills, as well as to retain quality personnel by offering satisfactory incentives and other fringe benefits in consistent with business competition. In addition, a Marketing Trainee project has been implemented throughout the year.

5. Risk from Securities Underwriting Business

There is a risk that the Company may fail to distribute 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 under-subscribed securities into its own investment portfolio. To prevent such risk, the Underwriting Committee will analyze and examine the issuers' business nature, preliminary information, operating performance and business trends, as well as the investors' interest in buying the offered securities, and use such information in making a decision as to whether to enter into an underwriting deal.

6. Risk from Bad Debts and Doubtful Accounts of Securities Receivables

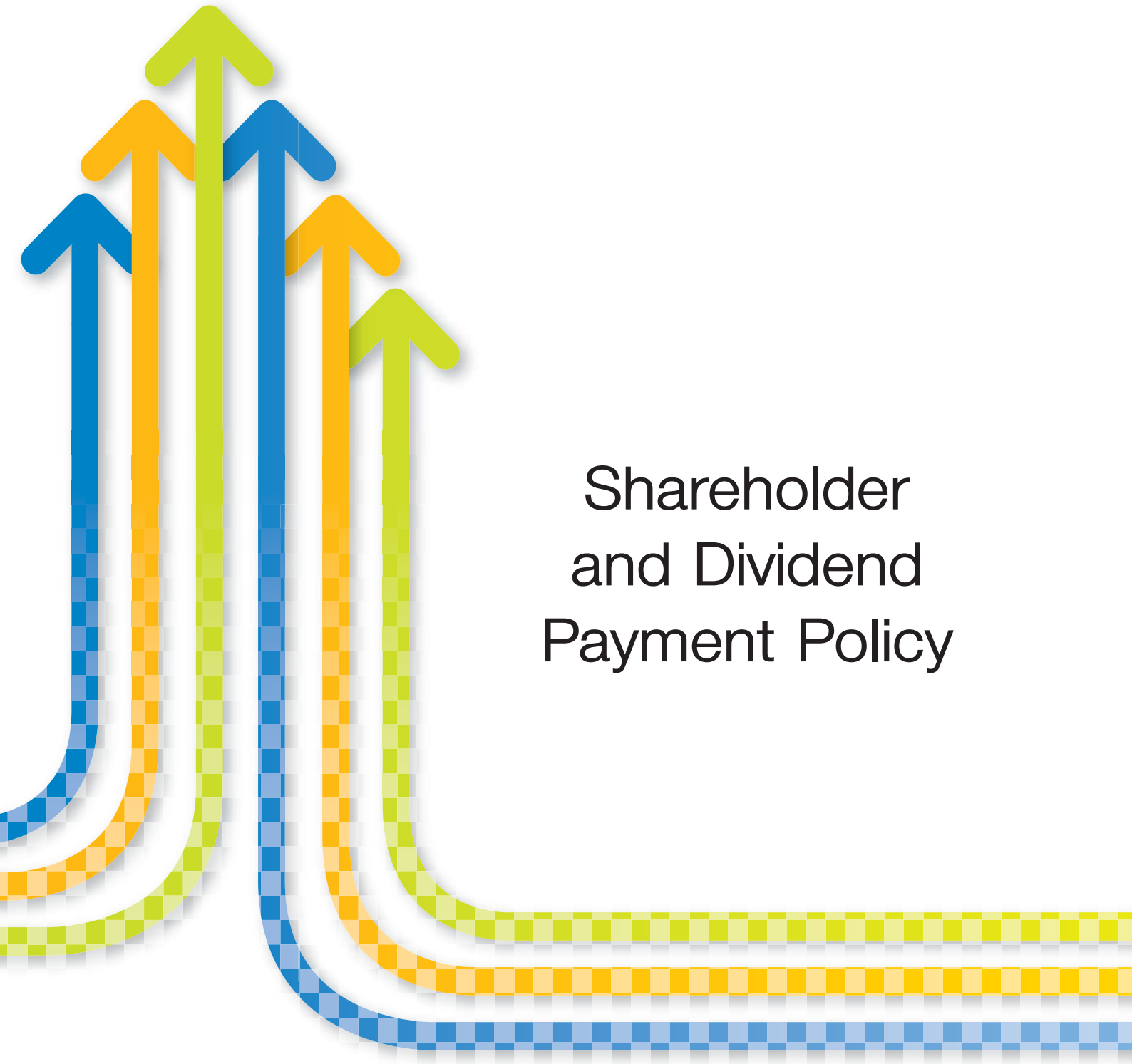
The risk from bad debts and doubtful accounts of securities receivables arises when customers under credit balance and cash trading fail to meet payment within the time limit. The Company, by its Risk Management Committee, has developed a policy on margin loan to keep the loan amount within the specified limit and suitable to market situation at that time. The loan limit for each customer is set at 20% of the Company's capital fund, whereas the total loan amount must not exceed 1 time of the capital fund. The buying transactions are controlled against concentration of particular securities. As for cash account customers, the Company demands a deposit of 15% of the trading limit, which is compliant with criteria of the Stock Exchange of Thailand. Apart from setting directives and procedures on customer settlement collection, the Company attaches great importance to customer quality screening by stipulating trading limit as appropriate to financial status of each customer, meticulously reviewing customer's financial status and credit limit, along with supervising to ensure that its operations conform to the stated regulations and procedures.

As at December 31, 2010, the Company had total cash trading receivable balance of Baht 316.36 million compared to Baht 250.81 million last year, obligations of which increased by Baht 65.55 million or 26.14%. Meanwhile, total margin trading receivable balance was Baht 516.77 million, a year-on-year increase by Baht 166.69 million from Baht 350.08 million, or a 47.61% increase. Total collateral value deposited by these debtors exceeded the value of obligations. In 2010, the Company had not incurred more bad debts or made additional allowance for doubtful accounts from securities business receivables.

7. Other Factors Possibly Influencing Investment Decision

Legal Disputes

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



Shareholder and Dividend Payment Policy



Shareholder and Dividend Payment Policy

Major Shareholders (Latest book closing on February 28, 2011)

Name	No. of Shares	% of paid-up capital
The Siam Industrial Credit Public Company Limited	446,457,860	70.06
Raffles Nominees (PTE) Limited	13,002,600	2.04
Mr. Anon Khunwisarn	12,632,102	1.98
Mr. Wisan Khunwisarn	12,500,000	1.96
Mr. Chaiyos Tachahasadin	7,900,000	1.24
Mr. Kunchor Meesomsap	6,296,800	0.99
Mr. Danai Asawaruangkijkul	4,644,400	0.73
Mr. Sanguan Wanakitpi boon	4,500,000	0.71
Thai NVDR Company Limited	4,471,700	0.70
Ms. Piyasri Tantiwattana	3,170,000	0.50
Total	515,575,462	80.91

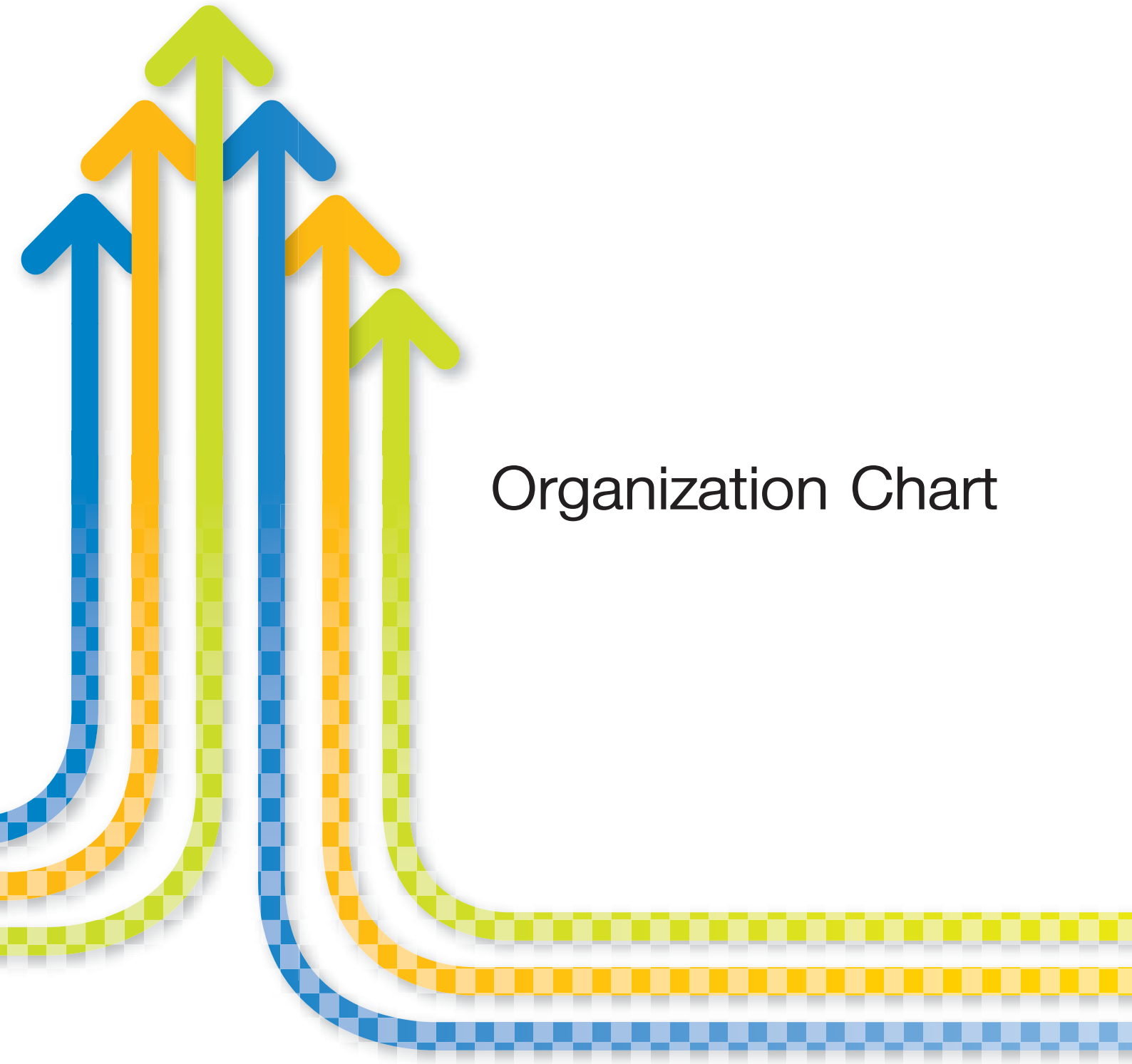
Dividend Payment Policy

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

Detail of dividend payment of the Company during 2007-2010 :

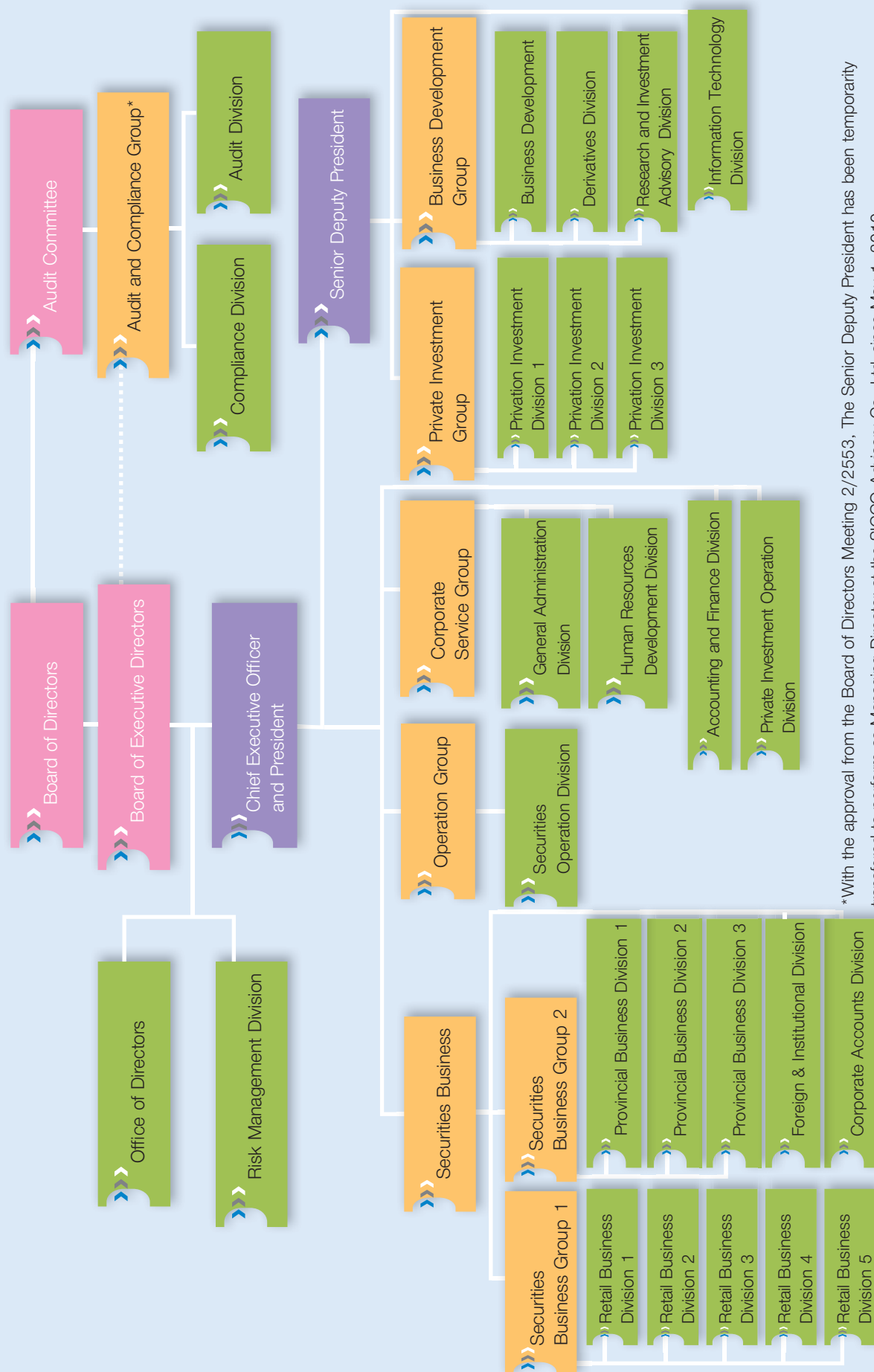
Approval	Fiscal Year			
	2010*	2009	2008	2007
	Present to be approved in the AGM 2011	Approved in the AGM 2010	Approved in the AGM 2009	Approved in the AGM 2008
Net Income (Million Baht)	38.04	25.31	(30.32)	15.78
Earning Per Share (Baht)	0.06	0.04	(0.05)	0.025
Par Value (Baht)	1.00	1.00	1.00	1.00
Dividend Per Share (Baht)	0.03	0.03	-	0.03
Dividend Payout Ratio				
- Actual (%)	50.26	75.54	-	121.11
- Policy (%)	≥ 50	≥ 50	≥ 50	≥ 50

*Dividend Payment has proposed for approval in the AGM 2011, which will be held on 27/4/11.



Organization Chart

Organization Chart as of December 31, 2010



*With the approval from the Board of Directors Meeting 2/2553, The Senior Deputy President has been temporarily transferred to perform as Managing Director at the SICC Advisory Co., Ltd. since May 1, 2010.



Profile of Directors
and Management

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	40	- M.B.A., Eastern Michigan University, Michigan, U.S.A. - B.B.A. (Accounting), Thammasat University <u>Training Courses</u> - Directors Accreditation Program - Director Certification Program - Financial Institutions Governance Program The Thai Institute of Directors Association	-	-	May-09-Present	Chairman, Chairman of the Directors, Chairman of the Compensation Committee	SICCO Securities Plc.
					May-09-Present	President and Chief Executive Officer	The Siam Industrial Credit Plc.
					Aug-09-Present 1997 - 2007 1996 - 1997	Chairman Finance Director Finance Director	SICCO Advisory Co.Ltd. Unilever Taiwan Ltd., Taiwan Unilever Asia Private Ltd, Singapore
Mr. Yothin Pibulkasetkij • Independent Director • Audit Committee Chairman • Compensation Committee Member	64	- B.A. (Commerce), Chulalongkorn University <u>Training Courses</u> - <u>Audit Committee</u> Program - Director Certification Program - 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	Independent Director, Audit Committee Chairman, Compensation Committee Member	SICCO Securities Plc.
					2005- 2007	Chief Audit Officer, Audit Management Group	The Siam Commercial Bank Plc.
					1999 - 2004	Manager of Audit and Compliance Department	The Siam Commercial Bank Plc.
Mr. Apichai Anukulamphai • Independent Director • Audit Committee Member • Compensation Committee Member	65	- 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 - Audit Committee Program The Thai Institute of Directors Association	-	-	Aug-09-Present	Independent Director, Audit Committee Member, Compensation Committee Member	SICCO Securities Plc.
					2004 - Present 2000 - Present	Director Director	Inter Far East Engineering Plc. Yip In Tsoi & Jacks Co., Ltd.

Profile of Directors and Management

Name / Present Position	Age	Education	% of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization / Company
Mr. Nophadol Yingchatchaval <ul style="list-style-type: none"> • Independent Director • Audit Committee Member • Compensation Committee Member 	63	- M.Sc.(Industrial Engineering), U. of Wisconsin, USA. <u>Training Courses</u> - Directors Accreditation Program - Audit Committee 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	Managing Director	Megafer Co.,Ltd.
					1991 - Present	Managing Director	Provest Co.,Ltd.
Mr. Siripong Sutharaj <ul style="list-style-type: none"> • Director • Executive Director • Chief Executive Officer and President 	51	- M.B.A. (Banking and Finance), North Texas State University, USA. <u>Training Courses</u> - Director Certification Program by The Thai Institute of Directors Association - NIDA Executive Leadership Program, by Wharton University of Pennsylvania, USA.	-	-	1990 - Present	Director	Muang Lek Prosper Co.,Ltd.
					1999 - Present	Director, Executive Director, Chief Executive Officer and President	SICCO Securities Plc.
					2002 - Present	Director, Executive Director	SICCO Advisory Co.,Ltd.
					2009 - Present	Director	SSEC Asset Management Securities Co., Ltd.
Mr. Chakkris Uthayophas <ul style="list-style-type: none"> • Director • Executive Director • Senior Deputy President 	47	- M.Sc. (Industrial Engineering and Management), The Asian Institute of Technology - B.Sc. (Statistics), Chulalongkorn University <u>Training Courses</u> - Director Certification Program by The Thai Institute of Directors Association	-	-	2006 - Present	Director, Executive Director, Senior Deputy President	SICCO Securities Plc.
					2006 - Present	Director, Executive Director	SICCO Advisory Co.,Ltd.
					2004 - 2005	Director and CEO	SICCO Advisory Co.,Ltd.
					2000- 2004	Senior Executive Vice President	SICCO Securities Plc.

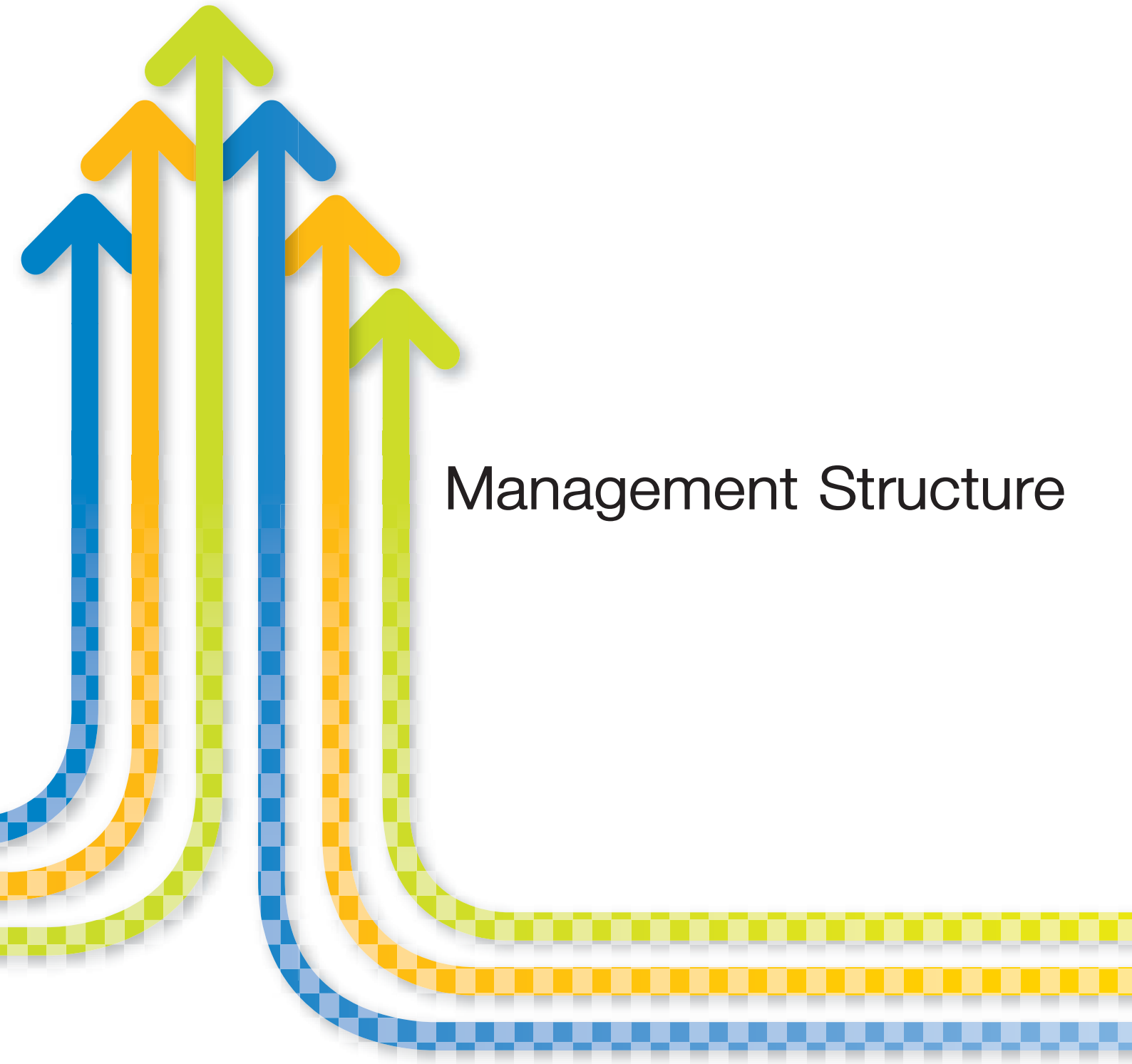
Profile of Directors and Management

Name / Present Position	Age	Education	% of total shares *	Management Relationship	Experience History 5 Years		
					Period	Position	Organization / Company
Mr. Prasitsin Witsawan • Managing Director Head of Securities Business Group	53	- B.Sc. (Accounting), Kasetsart University	0.05	-	2002 - Present	Managing Director Head of Securities Business Group	SICCO Securities Plc.
	55	- 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 - Effective Minute Taking The Thai Institute of Directors Association	0.05	-	1999 - Present	Senior Deputy Managing Director Head of Corporate Service Group	SICCO Securities Plc.
Ms. Chutima Dejtiprapab • Senior Deputy Managing Director Head of Operation Group	56	- BBA. (Account), Ramkhaeng University	-	-	Jul-07 - Present	Senior Deputy Managing Director Head of Operation Group	SICCO Securities Plc.
					2005 - Jul-07	Executive Vice President Securities Business Group 2	SICCO Securities Plc.
					Feb-04 - 2005	Executive Vice President Branch Business Development Group	SICCO Securities Plc.
Mr. Kanog Wongsarawit • Senior Deputy Managing Director Head of Business Development Group	44	- Master of Commerce, University of Wollongong, Australia	-	-	Apr-08 - Present	Senior Deputy Managing Director Head of 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	TMB Macquarie Securities (Thailand) Co., Ltd.

Profile of Directors and Management

Name / Present Position	Age	Education	% of total shares *	Management Relationship	Experience History 5 Years		
					Period	Position	Organization / Company
Mr. Nakorn Lampavas • Senior Deputy Managing Director Head of Audit & Compliance Group	45	- M.B.A., Dhurakijpundit University - BBA. (Account), Ramkhaeng University	-	-	Jul-10 - Present	Senior Deputy Managing Director	SICCO Securities Plc.
					Jul-06 - Jun-10	Head of Audit & Compliance Group	SICCO Securities Plc.
					2001 - Jun-06	Executive Vice President	SICCO Securities Plc.
						Audit & Compliance Division	SICCO Securities Plc.
Mr. Kant Athatamsuntorn • Senior Deputy Managing Director	38	- M.B.A., Chulalongkorn University - B.Sc., Prince of Songkla University	-	-	Jan-08 - Present	Senior Deputy Managing Director - Head of 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 • Senior Deputy Managing Director Head of Retail Business Division 3	49	- M.B.A., Siam University	-	-	Jul-08 - Present	Senior Deputy Managing Director	SICCO Securities Plc.
					Sep-98 - Jun-08	Head of Retail Business Division 3	SICCO Securities Plc.
Mrs. Amporn Chiammunchit • Deputy Managing Director Head of Accounting and Finance Division	48	- M.S. (Accounting), Thammasat University - B.A., Chulalongkorn University	-	-	Jul-07 - Present	Senior Vice President	SICCO Securities Plc.
					Dec-05 - Jun-07	Deputy Managing Director - Head of Accounting and Finance Division	SICCO Securities Plc.
					2004 - 2005	Senior Vice President	SICCO Securities Plc.
						Operation Division	CLSA Securities (Thailand) Co., Ltd.

Note * Including shares of spouse and dependent, Data as of closing book dated February 28, 2011.



Management Structure

Management Structure

Management Structure

As of December 31, 2010, 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, 2010, 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	Chief Executive Officer and President
6.	Mr. Chakkris Uthayophas	Senior Deputy 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, 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, 2010, the Company's Board of Directors consisted of 6 directors, 1 of which represented the major shareholder, the Siam Industrial Credit PCL, 2 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 or had 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 the Securities and Exchange Commission;
 - (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.

»» Qualifications of the SSEC Independent Director

Qualifications of the Company's independent director are defined in conformity with the criteria of the Stock Exchange of Thailand, 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.
- 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, 2010, the Board of Executive Directors consisted of 3 members as follows:-

1. Ms. Wanvimol Chotipuech Chairman of the Executive Directors
2. Mr. Siripong Sutharoj Executive Director
3. 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 Senior Deputy 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 President. 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, 2010, 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 Senior Deputy Managing Director, Head of Audit and Compliance Group, 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

»» Management Structure

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 2010 on Board of Directors, Executive Directors and the Audit Committee and no. of attendance in each meeting.

Director's Name	No. of Attendance / Total Meeting (times)			
	Board of Directors Meeting	Executive Committee Meeting	Audit Committee Meeting	Compensation Committee Meeting
Ms. Wanvimol Chotipuech	11/11	7/7	-	1/1
Mr. Yothin Pibulkasetkij	11/11	-	5/5	1/1
Mr. Apichai Anukularmphai	11/11	-	5/5	1/1
Mr. Nophadol Yingchatchaval	11/11	-	5/5	1/1
Mr. Siripong Sutharoj	11/11	7/7	-	-
* Mrs. Jirapan Chairoj	4/5	3/3	-	-
Mr. Chakkris Uthayophas	11/11	7/7	-	-

* Mrs. Jirapan Chairoj resigned in July 1, 2010

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, 2010, 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 Mr. Siripong Sutharoj, Chief Executive Officer and President, 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, 2010, the Risk Monitoring Committee consisted of:-

1.	Mr. Siripong	Sutharoj	Chairman
2.	Mr. Chakkris	Uthayophas	Member
3.	Mr. Prasitsin	Witsawanan	Member
4.	Mr. Kanog	Wongsarawit	Member
5.	Ms. Chutima	Dejtiprapab	Member
6.	Mrs. Orapim	Chalarug	Member
7.	Mr. Saravut	Tachochavalit	Member
8.	Mrs. Amporn	Chiammunchit	Member
9.	Mr. Kant	Athatamsuntorn	Member
10.	Mr. Nakorn	Lampavas	Member
11.	Mr. Kusol	Peinmuk	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 President,

Senior Deputy President, Chiefs of business units (securities/derivatives/Investment banking), and Chiefs of business support units.

4.3. The Credit Committee

As of December 31, 2010, the Credit Committee consisted of:-

- | | | | |
|----|---------------|------------|----------------------|
| 1. | Mr. Siripong | Sutharoj | Chairman |
| 2. | Mr. Chakkris | Uthayophas | Member |
| 3. | Mr. Prasitsin | Witsawanan | Member |
| 4. | Mr. Kusol | Peinmuk | 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 President, Senior Deputy 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, 2010, the Investment Committee consisted of:-

- | | | | |
|----|--------------|------------|----------|
| 1. | Mr. Siripong | Sutharoj | Chairman |
| 2. | Mr. Chakkris | Uthayophas | Member |

With Mrs. Amporn Chiammunchit ,Deputy Managing Directors Head of 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 President, Senior Deputy 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, 2010, the Underwriting Committee consisted of:-

1. Mr. Siripong Sutharoj Chairman
2. Mr. Chakkris Uthayophas Member
3. Mr. Prasitsin Witsawanat Member
4. Mr. Kanog Wongsarawit Member

With Mr. Suksant Bunchaliao, Business Development Division, 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 President, Senior Deputy 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 President, and the first four directors next to the President, including the Head of Accounting and Finance Division.

As of December 31, 2010, the Management Committee of the Company consisted of executives as follows:-

1. Mr. Siripong Sutharoj Chief Executive Officer and President
2. Mr. Chakkris Uthayophas* Senior Deputy President
3. Mr. Prasitsin Witsawanat Managing Director
Head of Securities Business Group
4. Mr. Kanog Wongsarawit Senior Deputy Managing Director
Head of Business Development Group

»» Management Structure

5.	Ms. Chutima	Dejtiprapab	Senior Deputy Managing Director Head of Operation Group
6.	Mrs. Orapim	Chalarug	Senior Deputy Managing Director Head of Corporate Service Group
7.	Mr. Nakorn	Lampavas	Senior Deputy Managing Director Head of Audit & Compliance Group
8.	Mr. Kant	Athatamsuntorn	Senior Deputy Managing Director Head of Information Technology Division
9.	Mr. Supot	Lapchayanon	Senior Deputy Managing Director Head of Retail Business Division 3
10.	Mrs. Amporn	Chiammunchit	Deputy Managing Director Head of Accounting and Finance Division

* As of May 1, 2010, Mr.Chakkris Uthayophas had been seconded to SICCO Advisory Company Limited (a subsidiary) as the Managing Director, effective until changed by the Board of Directors' order.

»» 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

Management Structure

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 President, and the first four Executives next from the Managing Director.

At the end of December 31, 2010, the Company had paid remuneration to Directors and Executives as follows:-

Position	Type of Compensation	2010		2009	
		No. of Persons	Amount (Baht)	No. of Persons	Amount (Baht)
Directors	Director Fee	7	1,740,000.00	12	2,060,000.00
Directors	Bonus	7	191,164.47 *	-	-
Audit Committee	Director Fee	3	600,000.00	6	600,000.00
Compensation Committee	Director Fee	4	45,000.00	4	45,000.00
Executives	Salary	11	23,780,910.00	11	24,944,052.00
Executives	Bonus	10	5,372,304.00	11	1,949,234.00

* From Operating Performance 2009

Directors' remuneration in 2010 Classified by Individual

Director's Name		Meeting Allowance (Baht)			Total (Baht)
		Director	Audit Committee	Compensation Committee	
Ms. Wanvimol	Chotipuech	420,000	-	15,000	435,000
Mr. Yothin	Pibulkasetkij	240,000	240,000	10,000	490,000
Mr. Apichai	Anukularmphai	240,000	180,000	10,000	430,000
Mr. Nophadol	Yingchatchaval	240,000	180,000	10,000	430,000
Mr. Siripong	Sutharoj	240,000	-	-	240,000
*Mrs. Jirapan	Chairoj	120,000	-	-	120,000
Mr. Chakkris	Uthayophas	240,000	-	-	240,000
Total		1,740,000	600,000	45,000	2,385,000

* Mrs. Jirapan Chairoj resigned in July 1, 2010



Management Structure

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.

	2010		2009	
	Number of Persons	Amount(Baht)	Number of Persons	Amount(Baht)
Executives	11	2,257,998.95	11	2,296,322.46

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

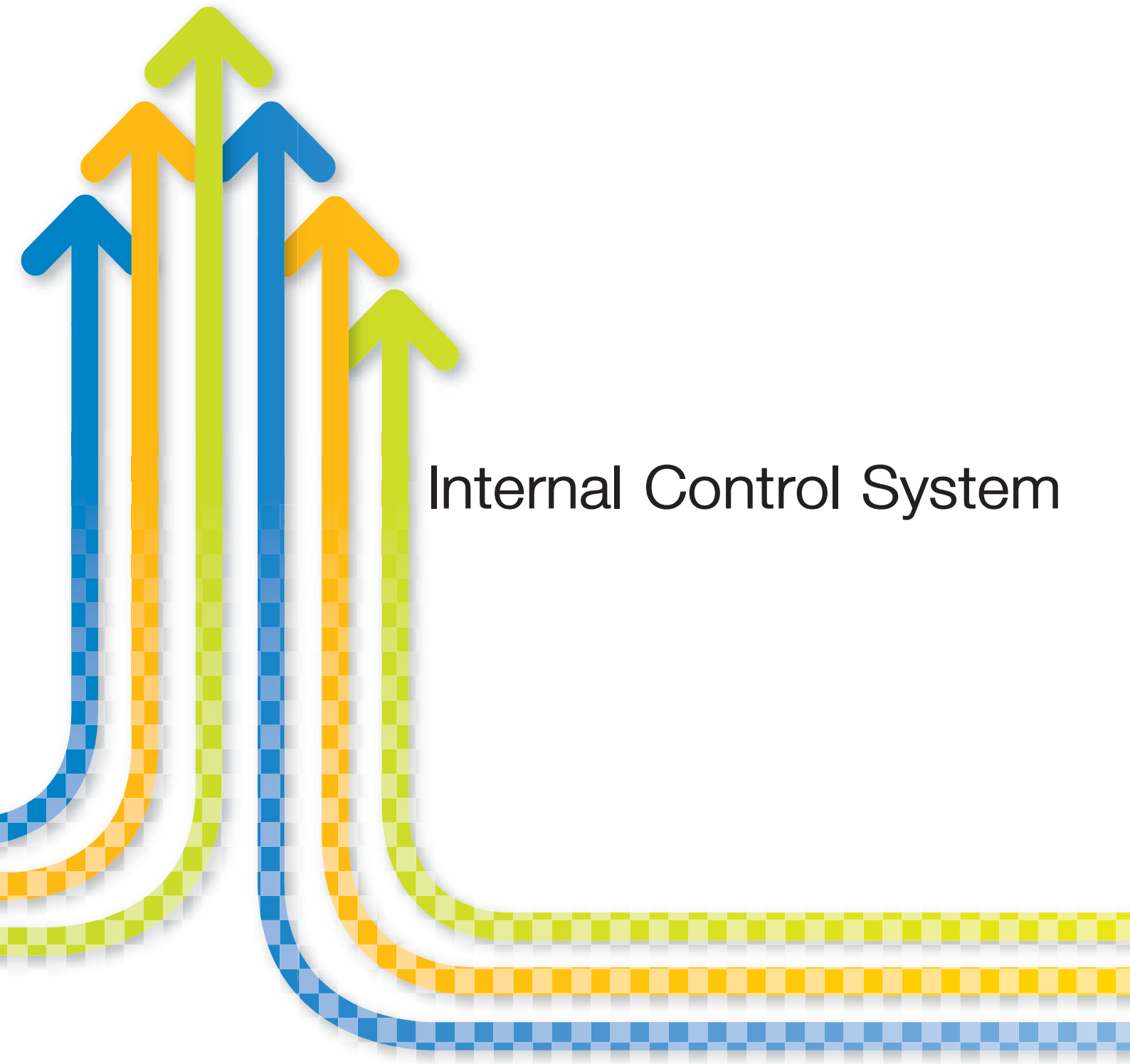
In 2010, the Company's Directors and Executive who held positions as Directors and Executive Directors in the Subsidiary Companies received remuneration payments as indicated in table below:-

Name	Position in the Company	Position in the Subsidiary		Remuneration received from Subsidiary	
		SAC	SSECAM	SAC	SSECAM
Ms. Wanvimol Chotipuech	Chairman	Chairman	-	-	-
Mr. Siripong Sutharoj	President	Executive Director	Chairman	-	-
* Mrs. Jirapan Chairoj	President	Executive Director	-	-	-
Mr. Chakkris Uthayophas	Senior Deputy President	Executive Director	-	-	-
Mr. Nakorn Lampavas	Executive	-	Executive Director	-	-

Remark: SAC : SICCO Advisory Co., Ltd.

SSECAM : SSEC Assets Management Securities Co., Ltd.

* Mrs. Jirapan Chairoj resigned in July 1, 2010



Internal Control System

In 2010, the Board of Directors had assessed the Company's internal control system, by examining the report proposed by the Audit Committee as well as discussing the details with the management. In the Board's opinion, the Company's internal control system was adequate and appropriate according to the regulatory criteria based on the Standard for the Professional Practice of the Internal Auditing of the Institute of Internal Auditors (IIA), and well corresponded to 5 areas associated with corporate business undertaking and management process, which were organizational environment, risk management, control on the management operations, information technology and communications, and monitoring system.

In addition, the Company has recognized and promoted the compliance culture in the organization, raising awareness among all staff about compliance with business standard and code of ethics alongside laws and related regulations, so as to accommodate its clients with good and impartial services. Particular emphasis has been put on developing internal audit tasks toward international standards, where the internal auditors could work independently with professional ethics, integrity and objectivity in order to encourage good corporate governance, which would advocate Company's effective and efficient achievement of business goals.



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 2010, 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

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 2010, 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, 2009 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, 2010; thereby the shareholders had time to consider the meeting documents in detail for 21 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 26, 2010, more than one month before the meeting date.

In the 2010 Annual General Shareholder Meeting on April 28, 2010; 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 65 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 13, 2010.

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.

- The directors and the executives are required to report their securities holdings in other enterprises, their directorship in other enterprises, and their related transactions.
- 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.
- 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.
- 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.
- 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.
- 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
- 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.

- 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.
- 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 2010 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 from January 4, 2010 to February 4, 2010, or for a period exceeding 1 month. 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 39 shareholders attending in person, equivalent to 597,342 shares and 51 shareholders by proxies, equivalent to 467,788,587 shares. On the agenda item of director election, the Company requested that the shareholders cast their votes for one director at a time.

In 2010, there were no cases of the Company's directors, executives, and employees using inside information for their own benefits.

3. Role of Stakeholders

The Company well recognizes that the stakeholders take significant part in its operations. In 2010, 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

- 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.
- 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.

- 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

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

- The Company encourages employees to keep a healthy body and mind through its Health 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)

- The Company encourages employees to keep a healthy body and mind by running the Health Organization Program that promotes employees' happiness in working, pleasant workplace, affection and unity among colleagues according to the guidelines of Thai Health Promotion Foundation (ThaiHealth); arranging for regular checkups; providing health insurance and life assurance that cover employees' spouses and children; cooperating with financial institutions on housing loan benefits; as well as setting up a Virtuous Cycle Club to promote the sustenance of virtue and morality in Thai society.

- The Company advocates safety and hygiene in the workplace, which is a shared responsibility of both the management and employees. In this regard, the Occupational Safety and Health Committee was established to review policies and plans on both on-the-job and off-the-job safety, in order to prevent and mitigate accidents, illnesses, troubles or dangers in working.

- 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.

- 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

The Company adheres to the principle of pursuing business operations alongside social responsibilities that benefit all interested persons appropriately, that is to say, undertaking business in compliance with laws and code of ethics while supporting activities useful to society in all areas in order to inculcate a sense of social and environmental responsibility in its employees.

In 2010, the Company carried out various social and environmental activities as follows:-

1. Continual campaigns on energy saving and anti-global warming, by kindling a shared sense of national resources conservation among its employees through the project on paperless organization and the project on turning off computers and lights when not in use.
2. "Following Father's Footsteps – Building Check Dams" Project, to encourage activities related to community development via the creation of optimal water cycle for forests

at the 5th Forest Protection Unit of Kaeng Krachan National Park, Nong Yaplong district, Phetchaburi province.

3. “SSEC Workout for Merit Year 2, Celebrating the King’s 83 Anniversary” Project, by transforming points accumulated from executives’ and employees’ successful workouts into cash donations to the Foundation for Rehabilitation & Development of Children and Family (FORDEC), Wat Mahavong Community Day Care Center.
4. Project to provide financial and investment knowledge for students, by co-organizing with Walailak University on May 12, 2010 a training course on personal financial management for 50 Business Administration Faculty students, who also had an opportunity to observe the Company’s securities business in a site visit.

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.sseclick.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 2010, 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 2010 Annual Report and 2010 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 2010 Annual Report.

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, 2010, the Board consisted of 6 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	Chief Executive Officer and President
Mr. Chakkris	Uthayophas	Senior Deputy President

With Mrs. Orapim Chalarug, Senior Deputy Managing Director, Head 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, Underwriting Committee, Investment Committee, Risk Monitoring Committee, and Credit Committee. Lists of members in each sub-committee as well as its duties and responsibilities are exhibited under the topic of Management Structure on page

»» 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 2010, 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 2010, the Board of Directors had held 6 regular meetings and 5 special ones; the Executive Committee 6 regular and 1 special meeting; and the Audit Committee 4 regular and 1 special meeting. 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 2010".

»» 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 2010, 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

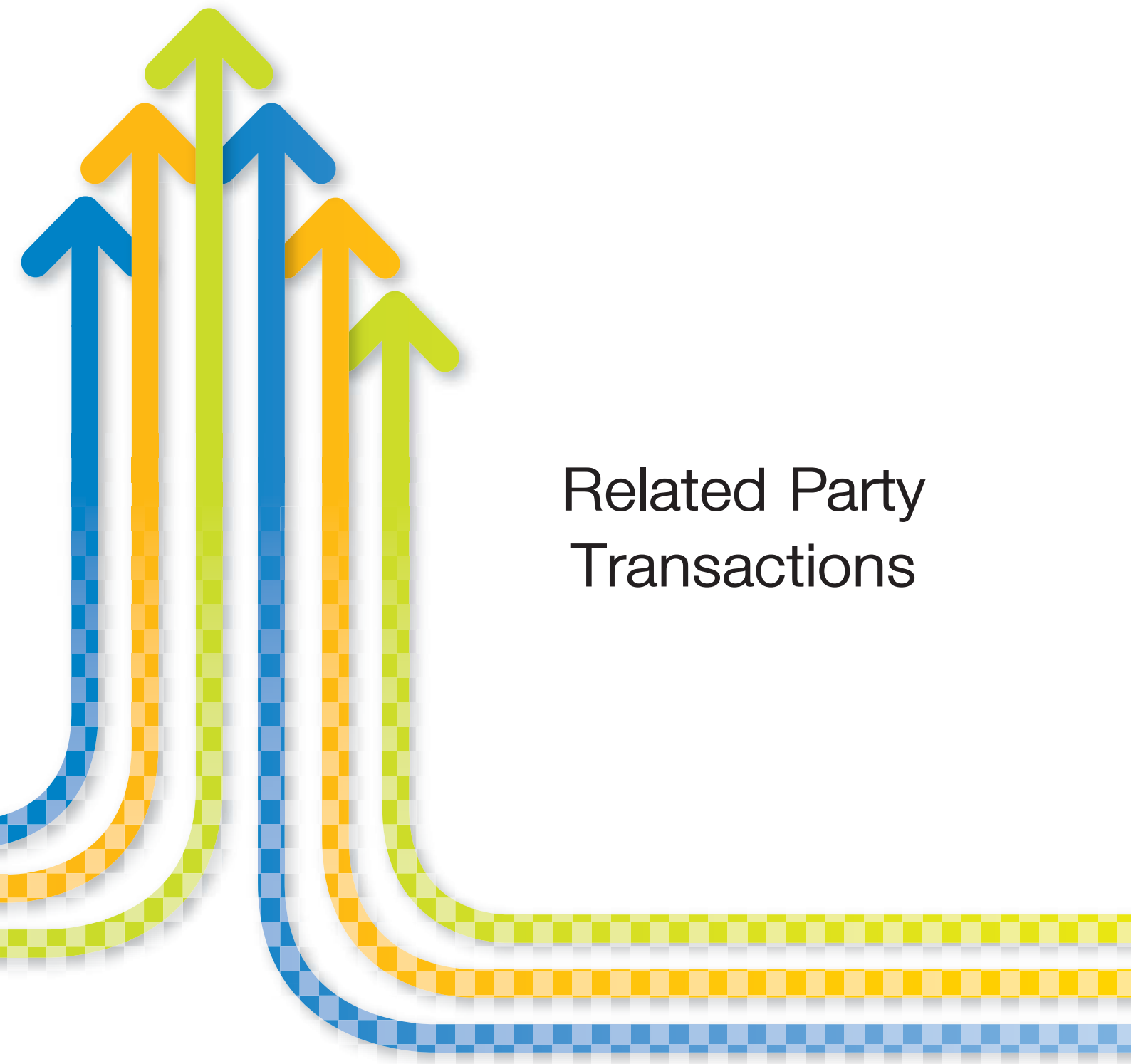
The Company is determined to make its business undertaking be of standard and in line with legal provisions. Therefore, it has issued the Compliance Manual, consisting of the Compliance Manual for Employee and the Business Code of Conduct, to directors, executives, and employees of all levels, so that 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 2010, the Board of Directors monitored that the Company had no conduct in violation of laws and governing rules.

The Company always encourages its directors to take training courses organized by the Thai Institute of Directors. In 2010, the Chairman and the Audit Committee members had attended capacity-enhancing programs for listed companies' directors, namely Audit Committee Program, Directors Certification Program, and Financial Institutions Governance Program.



Related Party Transactions

»» Related Party Transactions

A. Related Transactions

In 2010 and 2009, the SICCO Securities Public Company Limited had related transactions with related parties as disclosed in the note to the financial statements as follows:

Relationship	Type of transaction	Transaction value (Baht)		Pricing Policy
		2010	2009	
1. Siam Industrial Credit Public Company Limited (SICCO)				
Deposit	The major shareholder which holds 70.06% of shares and has a director in common i.e., Ms.Wanvimol Chotipuech.	105,000,000	107,000,000	According to Treasury’s interest rates announcement for Institutional Clients.
Interest income		572,233	1,384,114	
Brokerage fees income		252,412	210,958	0.20% of trading volume
Dividend payment		13,393,736	-	Resolved from AGM
2. SICCO Advisory Company Limited (SAC)				
Service income	The Subsidiary and has directors in common to the company i.e., Ms. Wanvimol Ch otipuech, Mr.Siripong Sutharoj, Mr.Chakkris Uthayophas	336,320	336,320	Contract price
3. SSEC Asset Management Securities Company Limited (SSECAM)				
Service income	The Subsidiary and has the Director in common , Mr.Siripong Sutharoj and the Executive in common , Mr. Nakorn Lampavas.	32,887	75,000	Contract price
4. Siam Commercial Bank Public Company Limited (SCB)				
Short-term deposit	The major shareholders in the parent company, SICCO., with 38.65% of shareholding.	15,495,683	37,635,666	According to Bank’s interest rate annoucement for institutional Clients.
Long-term deposit		1,000,000	1,000,000	

»» Related Party Transactions

Relationship	Type of transaction	Transaction value (Baht)		Pricing Policy
		2010	2009	
5. Siam Commercial Samaggi Insurance Public Company Limited (SCSGM)				
Insurance expenses	The related company, SCB is a major shareholders which holds 38.65% of shares of parent company, SICCO and holds 58.86% of shares of SCSMG	706,326	727,901	Market price
6. SCB Assets Management Company Limited (SCBAM)				
Fee income	SCB is a major shareholder in SICCO, the parent company, with 38.65% shareholding, and holds 99.00% of shares of SCBAM	792,179	688,852	0.25-0.5% of net assets value of fund
7. Siam Sindhorn Property Co., Ltd.				
Rental and service expenses	Both have the same major shareholder in SICCO, which holds 70.06% of SSEC and holds 10.00% of shares of Siam Sindhorn Property Co., Ltd.	11,633,725	12,947,722	Market price
8. Directors and Managements				
Brokerage fee on securities trading	Directors and Managements	50,122	295,433	0.10-0.25% of trading volume or Easy Wealth
9. Director				
Director's Bonus	Directors	191,164	-	1% of dividend paid



Related Party Transactions

B. 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.

C. Methods/Process of the Approval for Related Transactions

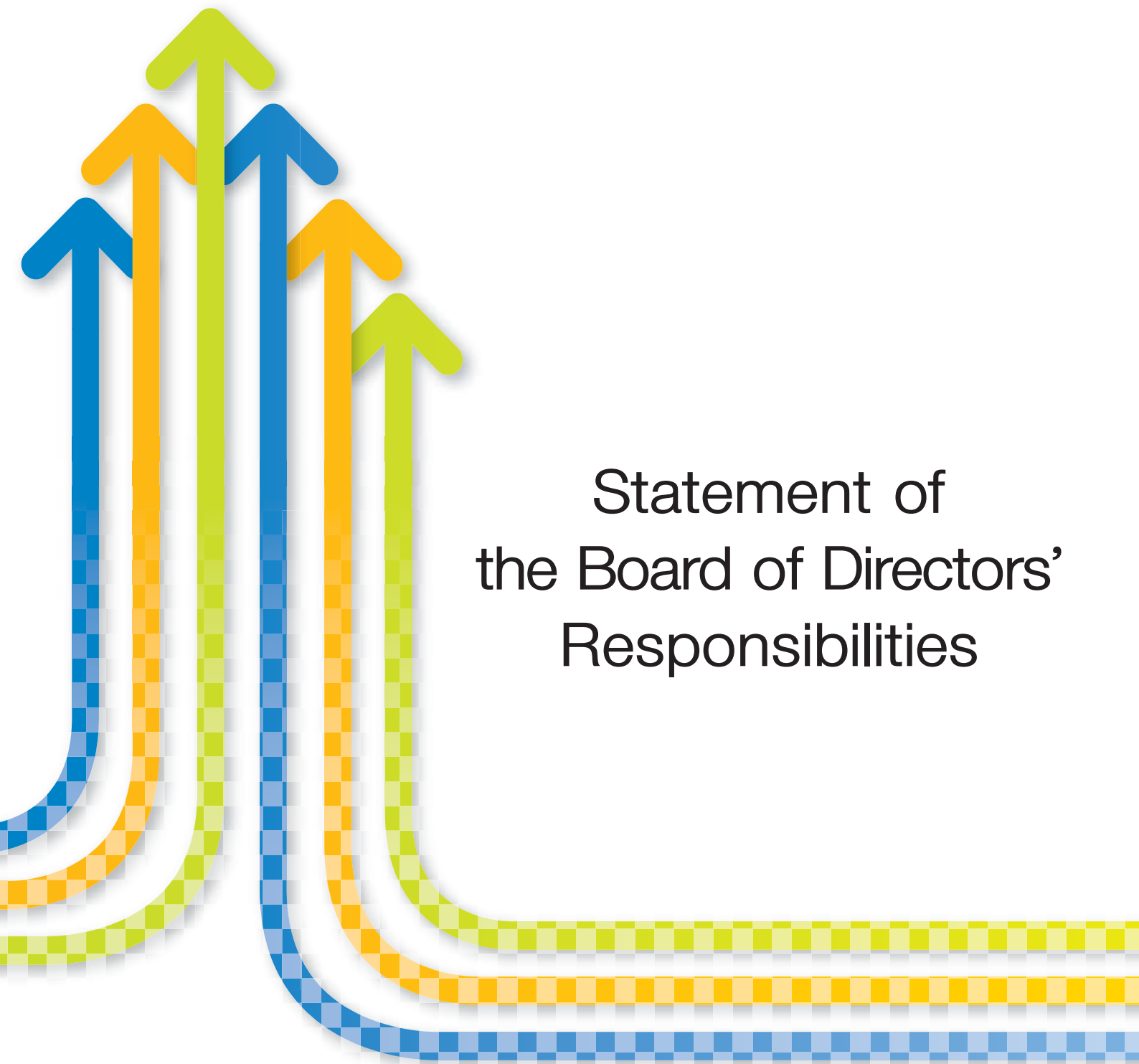
The Board of Directors or an authorized member from the Board of Directors may not approve any of the transactions that they deem may cause or could pose as potential cause of conflict of interest in anyway against the company or its subsidiary. They should also follow the relevant laws on securities 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.

D. 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.

E. 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

»» Statement of the Board of Directors' Responsibilities

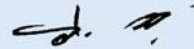
Being well aware of their duties and responsibilities to ensure the effective reporting of the financial statements, the Board of Directors has appointed the Audit Committee from qualified persons to oversee that the Company's financial statements be prepared in a justified and prudent manner. Also, 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, 2010 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 Sutharaj)

Chief Executive Officer and President



Report of
The Independent
Certified Public
Accountants and
Financial statements

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, 2010 and the related consolidated and the separate statements of income, changes in shareholders' equity, and cash flows for the year 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. The consolidated and separate financial statements for the year ended December 31, 2009, presented herein for comparison, were audited by another auditor of the same firm in accordance with generally accepted auditing standards whose report thereon dated February 17, 2010 expressed an unqualified opinion.

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, 2010 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As described in Notes 1 and 17 to the financial statements, the Ministry of Finance has approved a subsidiary to dissolve fund management business and financial advisory business, which effective on December 31, 2010 onward. Subsequently, on January 31, 2011, the Extraordinary Shareholders' Meeting No. 1/2011 of the subsidiary had passed a special resolution to dissolve the subsidiary and the subsidiary has registered the dissolution with the Ministry of Commerce on February 11, 2011.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK

February 16, 2011

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BALANCE SHEETS

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2010 AND 2009

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2010	2009	2010	2009
	Note				
ASSETS					
Cash and cash equivalents	4.1	215,816,052	215,135,152	192,657,820	192,558,325
Long-term deposits at financial institutions	4.2	2,615,840	2,631,680	2,615,840	2,631,680
Investments in debt and equity securities					
Short-term investments - net	4.3.1	237,123,777	170,227,628	237,123,777	170,227,628
Long-term investments - net	4.3.1	8,288,750	8,288,750	7,800,000	7,800,000
Net investments in debt and equity securities		245,412,527	178,516,378	244,923,777	178,027,628
Investments in subsidiaries	4.4	-	-	18,340,074	23,307,343
Receivables from Clearing House	4.5	16,928	16,137,068	16,928	16,137,068
Securities and derivative business receivables and accrued interest receivables	4.6				
Securities and derivative business receivables		909,572,621	773,543,762	909,572,621	773,543,762
Accrued interest receivables		3,060,641	1,923,313	3,060,641	1,923,313
Total securities and derivative business receivables and accrued interest receivables		912,633,262	775,467,075	912,633,262	775,467,075
Less Allowance for doubtful accounts	4.7	(76,442,361)	(86,809,401)	(76,442,361)	(86,809,401)
Net securities and derivative business receivables and accrued interest receivables		836,190,901	688,657,674	836,190,901	688,657,674
Leasehold improvements and equipment - net	4.8	32,820,735	39,526,783	32,514,932	38,719,812
Intangible assets - net	4.9	30,868,710	34,766,382	30,801,134	33,048,803
Deposits		12,016,581	11,796,387	12,016,581	11,796,387
Clearing Fund		20,655,943	18,811,327	20,655,943	18,811,327
Other assets	4.10	6,269,786	14,395,995	5,831,094	13,799,061
TOTAL ASSETS		1,402,684,003	1,220,374,826	1,396,565,024	1,217,495,108

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

»» BALANCE SHEETS (CONTINUED)

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2010 AND 2009

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2010	2009	2010	2009
	Note				
»» LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Payable to Clearing House		90,689,338	18,900,630	90,689,338	18,900,630
Securities and derivative business payables		295,057,428	243,572,075	295,057,428	243,572,075
Accrued commission to employees		29,529,990	17,662,135	28,769,308	17,560,214
Corporate income tax payable		17,012,999	3,312,491	17,012,999	3,312,491
Post-employment benefits obligation	4.11	6,741,464	2,321,000	5,931,280	2,312,000
Other liabilities	4.12	31,156,542	20,299,696	28,514,610	20,166,540
Total liabilities		470,187,761	306,068,027	465,974,963	305,823,950
SHAREHOLDERS' EQUITY					
Share capital					
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	5	21,223,409	19,321,641	20,965,554	19,063,786
Unappropriated		50,716,583	33,157,443	50,974,436	33,957,301
Total equity attributable to the Company's shareholders		930,590,063	911,129,155	930,590,061	911,671,158
Minority interests - equity attributable to minority shareholders of subsidiary		1,906,179	3,177,644	-	-
Total shareholders' equity		932,496,242	914,306,799	930,590,061	911,671,158
»» TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		1,402,684,003	1,220,374,826	1,396,565,024	1,217,495,108

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

STATEMENTS OF INCOME

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2010	2009	2010	2009
	Note				
CONTINUING OPERATIONS					
REVENUES					
Brokerage fees from securities business		336,917,947	289,652,514	336,917,947	289,652,514
Brokerage fees from derivative business		15,855,612	33,656,222	15,855,612	33,656,222
Fees and service income	8	15,026,926	9,148,345	8,956,926	7,523,347
Gain on trading in securities	4.3.2	1,323,496	1,254,740	1,323,496	1,254,740
Loss on trading in derivative business		(5,871)	(48,500)	(5,871)	(48,500)
Interest and dividend	4.3.3	6,333,398	7,637,509	6,113,173	7,326,692
Interest on margin loan		31,180,702	27,993,339	31,180,702	27,993,339
Loss on disposal of fixed assets		(448,967)	(55,873)	(448,967)	(55,873)
Other income		478,730	297,420	847,938	708,739
Total Revenues		406,661,973	369,535,716	400,740,956	368,011,220
EXPENSES					
Expenses on borrowing		2,827,372	2,600,139	2,827,372	2,600,139
Fee and service expenses		29,884,021	27,012,776	29,661,775	26,867,240
Bad debt and doubtful accounts (reversal)		(9,779,447)	(5,358,547)	(9,779,447)	(5,358,547)
Allowance for impairment of investment in a subsidiaries		-	-	4,967,269	5,740,395
Operating expenses					
Personnel expenses		184,194,071	171,608,795	181,654,434	170,483,716
Premises and equipment expenses		76,784,693	82,164,628	75,983,576	81,385,561
Taxes and duties		1,378,475	1,344,205	1,378,475	1,344,205
Directors and managements' remuneration	9	37,868,974	38,299,999	32,683,788	35,695,392
Entertainment expenses		6,330,524	6,030,878	6,329,230	6,027,709
Other expenses		19,460,223	14,812,157	19,186,783	13,932,945
Total Expenses		348,948,906	338,515,030	344,893,255	338,718,755

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

STATEMENTS OF INCOME (CONTINUED)

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

UNIT : BAHT

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2010	2009	2010	2009
INCOME BEFORE INCOME TAX AND MINORITY INTERESTS CORPORATE INCOME TAX INCOME FROM CONTINUING OPERATIONS	Note				
		57,713,067	31,020,686	55,847,701	29,292,465
	10	(17,812,347)	(3,985,423)	(17,812,347)	(3,985,423)
		39,900,720	27,035,263	38,035,354	25,307,042
>>> DISCONTINUED OPERATIONS					
LOSS FROM DISCONTINUED OPERATIONS	15	(2,594,826)	(11,255,675)	-	-
INCOME BEFORE MINORITY INTEREST		37,305,894	15,779,588	38,035,354	25,307,042
MINORITY INTEREST OF SUBSIDIARIES		(1,271,465)	(5,515,281)	-	-
NET INCOME		38,577,359	21,294,869	38,035,354	25,307,042
>>> BASIC EARNINGS PER SHARE					
FROM CONTINUING AND DISCONTINUED OPERATIONS					
Basic earnings per share	Baht	0.061	00.33	0.060	0.040
FROM CONTINUING OPERATIONS					
Basic earnings per share	Baht	0.063	0.042	0.060	0.040
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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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	Unappropriated		
Balance as at January 1, 2009	637,215,030	221,435,041	18,056,289	13,127,926	8,692,925	898,527,211
Net income (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
Balance as at January 1, 2010	637,215,030	221,435,041	19,321,641	33,157,443	3,177,644	914,306,799
Net income (loss)	-	-	-	38,577,359	(1,271,465)	37,305,894
Appropriation of retained earnings	-	-	1,901,768	(1,901,768)	-	-
Dividend paid (Note 6)	-	-	-	(19,116,451)	-	(19,116,451)
Balance as at December 31, 2010	637,215,030	221,435,041	21,223,409	50,716,583	1,906,179	932,496,242

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total shareholders' equity
			Appropriated Statutory reserve	Unappropriated	
Balance as at January 1, 2009	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
Balance as at January 1, 2010	637,215,030	221,435,041	19,063,786	33,957,301	911,671,158
Net income	-	-	-	38,035,354	38,035,354
Appropriation of retained earnings	-	-	1,901,768	(1,901,768)	-
Dividend paid (Note 6)	-	-	-	(19,116,451)	(19,116,451)
Balance as at December 31, 2010	637,215,030	221,435,041	20,965,554	50,974,436	930,590,061

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

STATEMENTS OF CASH FLOWS

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income	38,577,359	21,294,869	38,035,354	25,307,042
Items to reconcile net income to net cash from operating activities				
Depreciation and amortization	17,655,312	21,061,658	16,861,046	19,656,350
Bad debt and doubtful accounts (reversal)	(9,779,447)	(5,358,547)	(9,779,447)	(5,358,547)
Unrealized (gain) loss from revaluation on trading securities	91,850	(8,188,487)	91,850	(8,188,487)
Impairment of long-term investments (reversal)	-	(488,750)	-	(488,750)
Loss on impairment of equipment and intangible assets	2,078,554	-	672,000	-
Loss on disposal of fixed assets	448,967	55,873	448,967	55,873
Loss from write off fixed assets from discontinued operations	-	2,121,769	-	-
Post-employment benefits obligation	4,420,464	2,321,000	3,619,280	2,312,000
Minority interest	(1,271,465)	(5,515,281)	-	-
Allowance for impairment of investment in subsidiaries	-	-	4,967,269	5,740,395
Income from operating activities before changes in operating assets and liabilities	52,221,594	27,304,104	54,916,319	39,035,876
Decrease (increase) in operating assets				
Long-term deposits at financial institutions	15,840	6,043	15,840	6,043
Short-term investments	(66,987,999)	3,221,786	(66,987,999)	3,221,786
Receivables from Clearing House	16,120,140	41,493,447	16,120,140	41,493,447
Securities business receivables and derivative business receivables and accrued interest receivables	(137,753,780)	(154,891,702)	(137,753,780)	(154,891,702)
Deposits	(220,194)	2,288,663	(220,194)	1,482,061
Clearing Fund	(1,844,616)	(1,050,325)	(1,844,616)	(1,050,325)
Other assets	8,126,209	3,022,604	7,967,967	1,402,828

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

STATEMENTS OF CASH FLOWS (CONTINUED)

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Cash flows from operating activities (CONTINUED)				
Increase in operating liabilities				
Payable to Clearing House	71,788,708	14,260,561	71,788,708	14,260,561
Securities business payables and derivative business payables	51,485,353	101,131,717	51,485,353	101,131,717
Accrued commission to employees	11,867,855	7,117,055	11,209,094	7,234,135
Corporate income tax payable	13,700,508	3,160,322	13,700,508	3,312,491
Other liabilities	11,447,615	1,691,218	8,938,838	2,364,658
Net cash flows provided by operating activities	29,967,233	48,755,493	29,336,178	59,003,576
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
Increase in intangible assets	(4,020,353)	(4,227,887)	(4,020,353)	(4,227,887)
Cash paid for acquisition of equipment	(8,032,277)	(3,599,444)	(7,982,627)	(3,598,147)
Cash received from sale of equipment	1,882,748	2,201,090	1,882,748	1,777,037
Net cash flows used in investing activities	(10,169,882)	(13,426,241)	(10,120,232)	(13,360,247)
Cash flows from financing activities				
Dividend paid	(19,116,451)	-	(19,116,451)	-
Net cash flows used in financing activities	(19,116,451)	-	(19,116,451)	-
Net increase in cash and cash equivalents	680,900	35,329,252	99,495	45,643,329
Cash and cash equivalents as at January 1,	215,135,152	179,805,900	192,558,325	146,914,996
Cash and cash equivalents as at December 31,	215,816,052	215,135,152	192,657,820	192,558,325

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

STATEMENTS OF CASH FLOWS (CONTINUED)

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Supplementary cash flow information				
Cash paid during the period for:				
Interest expenses	2,699,922	2,597,135	2,699,922	2,597,135
Corporate income tax	4,271,345	738,463	4,060,154	672,932
Non-cash items consist of:				
Equipment payables	557,271	1,148,039	557,271	1,148,039
Statutory reserve	1,901,768	1,265,352	1,901,768	1,265,352

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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. 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, 2010 and 2009, the Company has 13 branches, total number of personnel of Company and subsidiaries are 291 and 300 persons, respectively, and the Company only total numbers of personnel are 284 and 295 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
6. Securities Borrowing and Lending

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.

On April 28, 2009, the 2009 Annual General Shareholders Meeting of the subsidiary had passed a resolution to cease the private fund management business and financial advisory business for the temporary period of 2 years since June 1, 2009. The Securities and Exchange Commission has approved the subsidiary to cease the business as requested. If the subsidiary will resume its operation in securities business, the subsidiary has to inform in advance and demonstrate that the subsidiary has



NOTES TO THE FINANCIAL STATEMENTS

the ability to operate and comply with the requirements. However, if the period requirement mentioned above has been exceeded, the Securities and Exchange Commission will consider the subsidiary not operating its business under the license at the required volume, resulting in the license being revoked (see Note 7).

On August 30, 2010, the Board of Directors' meeting of the subsidiary had passed a resolution to dissolve its business and return the fund management license and financial advisory license to the Ministry of Finance. The subsidiary has submitted a letter to request for a permission to dissolve its business and return its business license to the Ministry of Finance on August 30, 2010 and submitted letters to request a permission to dissolve fund management business and financial advisory business to The Securities and Exchange Commission on September 9, 2010 and September 14, 2010, respectively. Subsequently, on October 22, 2010, the Extraordinary Shareholders' Meeting of the subsidiary has endorsed to return its license. On December 22, 2010, the Ministry of Finance has approved the subsidiary to dissolve fund management business and financial advisory business, which effective on December 31, 2010 onward. On January 31, 2011, the Extraordinary Shareholders' Meeting No. 1/2011 of the subsidiary had passed a special resolution to dissolve the subsidiary and the subsidiary has registered the dissolution with the Ministry of Commerce on February 11, 2011 (see Note 17).

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.

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" and No. 7 (Revised 2007) "Cash Flow Statements" 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 years ended December 31, 2010 and 2009 are still presented in accordance with the Notification of the Office of the Securities and Exchange Commission No. SorTor/Nor. 26/2549, regarding "The Forms of Financial Statements for Securities Companies" dated June 29, 2006.

On December 15, 2010, the Office of Securities and Exchange Commission issued the Notification No. SorTor/Kor/Nor. 53/2553 regarding “The Form of Financial Statements for Securities Companies” to be effective of the financial statements for the accounting period since January 1, 2011 onwards. The Company has considered the above Notification and has determined that there will apply the form of Financial Statements according to such notification in the year 2011.

The subsidiaries 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. The subsidiary has been approved from the Ministry of Finance to dissolve its business (see Note 1). On January 31, 2011, the Extraordinary Shareholders’ Meeting No. 1/2011 of subsidiary had passed a special resolution to dissolve the subsidiary and the subsidiary has registered the dissolution with the Ministry of Commerce on February 11, 2011 (see Note 17). In accordance with the Thai Financial Reporting Standard No. 5 (Revised 2007) “Non-current Assets Held for Sale and Discontinued Operations”, the consolidated statements of income for the year ended December 31, 2009 have been reclassified by presenting in total amount of loss from discontinued operations amounting to Baht 11.3 million, which were previously presented by including in each revenue and expense caption in the consolidated statements of income (see Note 15).

- 2.2 The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRI), which are not yet effective for the current period. The TASs and TFRSs which are related to the Company are as follows:

2.2.1 TAS, TFRS and TFRI which are effective on January 1, 2011:

TAS

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 33 (Revised 2009)	Earnings Per Share
TAS 34 (Revised 2009)	Interim Financial Reporting

»» NOTES TO THE FINANCIAL STATEMENTS

TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TFRS	
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations

2.2.2 TAS which are effective on January 1, 2013:

TAS

TAS 12	Income Taxes
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The Company's management will adopt the above TAS, TFRS and TFRI relevant to the Company in the preparation of Company's financial statements when they become effective. Except for TAS 19 "Employee Benefits" the Company has early adopted since the financial statements for the year ended December 31, 2009, before it become effective.

TAS 12 "Income Taxes" has new requirement. The Company is currently assessing the full impact on the financial statements of the Company in the period of initial application.

Except the above TAS, TFRS and TFRI, the Company's management anticipates that the adoption of those accounting standards will have no material impact on the financial statements of the Company 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		Percentage of total assets of subsidiaries included in consolidated balance sheets		Percentage of total income of subsidiaries included in consolidated statements of income for the year ended December 31,	
	As at December 31,		As at December 31,			
	2010 %	2009 %	2010 %	2009 %	2010 %	2009 %
SICCO Advisory Company Limited	99.99	99.99	1.46	1.61	1.55	0.53
SSEC Asset Management Securities Company Limited	51.00	51.00	0.28	0.53	-	0.28

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. 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 determined 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 Clearing House /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. SorTor/ 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 KorThor. 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

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 Assets held for Sale

Assets held for sale which are assets occurred from discontinued operation which their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal assets are available for immediate sale in its present condition.

Assets classified as assets held for sale are measured at the lower of assets' carrying amount and fair value less cost to sell.



NOTES TO THE FINANCIAL STATEMENTS

3.15 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.

3.16 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.

3.17 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.

3.18 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, 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.

3.19 Employee benefit

3.19.1 Provident fund

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

3.19.2 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 separate statements of income in the period to which they are related. The costs associated with providing these benefits are charged to the consolidated and separate 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 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 4.11).

3.20 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.

3.21 Income tax

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

3.22 Earnings per share

Basic earnings per share are determined by dividing net earnings 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 earnings per share.

3.23 Accounting estimated

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

»» NOTES TO THE FINANCIAL STATEMENTS

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. DETAIL OF SIGNIFICANT TRANSACTIONS

4.1 Cash and cash equivalents

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS As at December 31,		SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2010	2009	2010	2009
Cash	95,000	75,000	90,000	70,000
Current deposits, saving deposits and fixed deposits	73,885,158	77,310,470	67,799,626	72,438,643
Promissory notes with maturity less than three months	464,091,733	504,830,736	447,024,033	487,130,736
<u>Less</u> Deposits and promissory notes in the Company's name at banks for customers*	(322,255,839)	(367,081,054)	(322,255,839)	(367,081,054)
»» Net cash and cash equivalents	215,816,052	215,135,152	192,657,820	192,558,325

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

4.2 Long-term deposits at financial institutions

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS As at December 31,		SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2010	2009	2010	2009
Fixed deposit with maturity more than three months	2,615,840	2,631,680	2,615,840	2,631,680
»» Total long-term deposits at financial institutions	2,615,840	2,631,680	2,615,840	2,631,680

The Company's fixed deposits of Baht 2.6 million were used as collateral against service from service provider as at December 31, 2010 and 2009.

4.3 Investments in debt and equity securities

4.3.1 Cost/book value and fair value

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	As at December 31, 2010		As at December 31, 2009	
	Cost/ book value	Fair value	Cost/ book value	Fair value
»» Short-term investments				
<u>Trading securities</u>				
Equity securities				
Listed securities	-	-	24,586	24,564
Unit trusts	237,012,585	237,123,777	170,000,000	170,203,064
<u>Add : Changes in fair value of securities</u>	111,192	-	203,042	-
Net equity securities	237,123,777	237,123,777	170,227,628	170,227,628
Total short-term investments	237,123,777	237,123,777	170,227,628	170,227,628
»» Long-term investments				
<u>Non-marketable securities</u>				
Equity securities				
Other securities - ordinary shares	8,288,750	8,288,750	8,288,750	8,288,750
Total non-marketable securities	8,288,750	8,288,750	8,288,750	8,288,750
Total long-term investments	8,288,750	8,288,750	8,288,750	8,288,750
»» Total investments - net	245,412,527	245,412,527	178,516,378	178,516,378

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2010		As at December 31, 2009	
	Cost/ book value	Fair value	Cost/ book value	Fair value
»» Short-term investments				
<u>Trading securities</u>				
Equity securities				
Listed securities	-	-	24,586	24,564
Unit trusts	237,012,585	237,123,777	170,000,000	170,203,064
<u>Add : Changes in fair value of securities</u>	111,192	-	203,042	-
Net equity securities	237,123,777	237,123,777	170,227,628	170,227,628
Total short-term investments	237,123,777	237,123,777	170,227,628	170,227,628
»» Long-term investments				
<u>Non-marketable securities</u>				
Equity securities				
Other securities - ordinary shares	7,800,000	7,800,000	7,800,000	7,800,000
Total non-marketable securities	7,800,000	7,800,000	7,800,000	7,800,000
Total long-term investments	7,800,000	7,800,000	7,800,000	7,800,000
»» Total investments - net	244,923,777	244,923,777	178,027,628	178,027,628

4.3.2 Gain on trading in securities

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2010	2009
Unrealized gain (loss) from revaluation of trading securities	(91,850)	8,188,487
Realized gain (loss) from trading in trading securities	1,415,346	(6,933,747)
»» Total	1,323,496	1,254,740

»» NOTES TO THE FINANCIAL STATEMENTS

4.3.3 Interest and dividend

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2010	2009	2010	2009
Interest income	5,258,517	7,120,177	5,038,292	6,809,360
Dividend	1,074,881	517,332	1,074,881	517,332
»» Total	6,333,398	7,637,509	6,113,173	7,326,692

4.4 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,	
			2010 (Baht)	2009 (Baht)	2010 (%)	2009 (%)	2010 (Baht)	2009 (Baht)	2010 (Baht)	2009 (Baht)
SICCO Advisory Company Limited	Financial advisory	Thailand	20,000,000	20,000,000	99.99	99.99	16,356,092	20,000,000	16,356,092	19,559,918
SSEC Asset Management Securities Limited	Private Fund manager	Thailand	30,000,000	30,000,000	51.00	51.00	1,983,982	3,307,343	1,983,982	3,307,343
»»					Total		18,340,074	23,307,343	18,340,074	22,867,261

4.5 Receivables from Clearing House

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2010	2009
Receivables from Thailand Securities Depository (TSD)	-	16,102,869
Receivables from Thailand Clearing House (TCH)	18,843,162	20,196,948
Less Receivables from Clearing House for the customers*	(18,826,234)	(20,162,749)
»» Total Receivables from Clearing House	16,928	16,137,068

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

»» NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2010, receivable from Thailand Securities Depository was nil because the Stock Exchange of Thailand transferred the Securities Clearing and Settlement unit from Thailand Securities Depository Co., Ltd. ("TSD") to Thailand Clearing House Co., Ltd. ("TCH") on February 15, 2010.

4.6 Securities business receivables, derivative business receivables and accrued interest receivables

Unit : Baht

		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31,	
		2010	2009
	Note		
Securities business receivables			
Customers' accounts - cash		316,355,442	250,810,124
Customers' accounts - credit balance		516,774,818	350,080,486
Other receivables		76,442,361	172,653,152
Total securities business receivables		909,572,621	773,543,762
Add Accrued interest receivables		3,060,641	1,923,313
Less Allowance for doubtful accounts	4.7	(76,442,361)	(86,809,401)
Net securities business receivables and accrued interest receivables		836,190,901	688,657,674

As at December 31, 2010 and 2009, the Company has securities business receivables of approximately Baht 76.4 million and Baht 86.8 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, 2010			As at December 31, 2009			
	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	836.2	-	836.2	688.7	-	688.7
Doubtful debts	76.4	(76.4)	-	86.8	(86.8)	-
»»» Total	912.6	(76.4)	836.2	775.5	(86.8)	688.7

»» NOTES TO THE FINANCIAL STATEMENTS

4.7 Allowance for doubtful accounts

Unit : Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31,		
	2010	2009
Beginning balance	86,809,401	92,167,948
Add Doubtful accounts (reversal)	(9,779,447)	(5,358,547)
Less Bad debt written off	(587,593)	-
»» Ending balance	76,442,361	86,809,401

4.8 Leasehold improvements and equipment - net

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance As at January 1, 2010	Increase	Decrease	Adjustment Increase (decrease)	Balance As at December 31, 2010
»» Cost					
Leasehold improvements	43,145,479	668,966	(3,858,333)	-	39,956,112
Furniture and fixtures	12,886,601	26,871	(1,500,463)	-	11,413,009
Office equipment	117,375,560	5,750,557	(11,734,073)	(17,653)	111,374,391
Vehicles	17,469,936	1,012,767	(3,930,986)	-	14,551,717
Total cost	190,877,576	7,459,161	(21,023,855)	(17,653)	177,295,229
»» Accumulated depreciation					
Leasehold improvements	(23,000,450)	(3,854,382)	2,129,301	-	(24,725,531)
Furniture and fixtures	(7,764,986)	(1,043,302)	930,532	-	(7,877,756)
Office equipment	(108,943,154)	(4,092,298)	11,701,324	-	(101,334,128)
Vehicles	(11,642,203)	(1,883,128)	3,930,983	-	(9,594,348)
Total accumulated depreciation	(151,350,793)	(10,873,110)	18,692,140	-	(143,531,763)
Allowance for impairment of equipment	-				(942,731)
»» Total leasehold improvements and equipment - net	39,526,783				32,820,735

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance As at January 1, 2009	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 equipment	(400,000)				-
Total leasehold improvements and equipment - net	54,246,376				39,526,783
Depreciation for the years ended December 31,					
2010					10,873,110
2009					13,145,689

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance As at January 1, 2010	Increase	Decrease	Adjustment Increase (decrease)	Balance As at December 31, 2010
»» Cost					
Leasehold improvements	42,930,190	668,966	(3,858,333)	-	39,740,823
Furniture and fixtures	12,711,410	26,871	(1,500,463)	-	11,237,818
Office equipment	115,121,789	5,700,908	(11,734,073)	(17,653)	109,070,971
Vehicles	17,469,936	1,012,767	(3,930,986)	-	14,551,717
Total cost	188,233,325	7,409,512	(21,023,855)	(17,653)	174,601,329
»» Accumulated depreciation					
Leasehold improvements	(22,962,496)	(3,832,854)	2,129,301	-	(24,666,049)
Furniture and fixtures	(7,654,475)	(1,025,985)	930,532	-	(7,749,928)
Office equipment	(107,254,339)	(3,851,057)	11,701,324	-	(99,404,072)
Vehicles	(11,642,203)	(1,883,128)	3,930,983	-	(9,594,348)
Total accumulated depreciation	(149,513,513)	(10,593,024)	18,692,140	-	(141,414,397)
Allowance for impairment of equipment	-				(672,000)
»» Total leasehold improvements and equipment - net	38,719,812				32,514,932

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance As at January 1, 2009	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 equipment	(400,000)				-
Total leasehold improvements and equipment - net	50,158,144				38,719,812
»» Depreciation for the years ended December 31,					
2010					10,593,024
2009					12,408,931

»» NOTES TO THE FINANCIAL STATEMENTS

In the consolidated financial statements as at December 31, 2010 and 2009, 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 102 million and Baht 105 million, respectively.

In the separate financial statements as at December 31, 2010 and 2009, 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 101 million and Baht 104 million, respectively.

4.9 Intangible assets - net

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2010						
	Remaining useful lives	Balance As at January 1, 2010	Additions	Amortization	Write-off/ Transfer out	Balance As at December 31, 2010
Leasehold right	12 years	16,142,338	-	(1,260,582)	-	14,881,756
Software	1-5 years	13,875,332	3,136,545	(5,391,805)	(189,676)	11,430,396
Investment advisory fee	2 years	116,760	-	(50,040)	-	66,720
TFEX membership	-	3,414,469	-	-	-	3,414,469
License fee	-	408,333	-	-	-	408,333
Website development cost	1-3 years	117,332	-	(79,775)	-	37,557
»» Total		34,074,564	3,136,545	(6,782,202)	(189,676)	30,239,231
Intangible assets under development		691,818	2,875,917	-	(1,802,433)	1,765,302
Allowance for impairment of intangible assets		-	(1,135,823)	-	-	(1,135,823)
»» Total		34,766,382	4,876,639	(6,782,202)	(1,992,109)	30,868,710

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2009						
	Remaining useful lives	Balance As at January 1, 2009	Additions	Amortization	Write-off/ Transfer out	Balance As at December 31, 2009
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	224,881	-	(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
Amortization for the years ended						
»» December 31, 2010						6,782,202
2009						7,915,969

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2010						
	Remaining useful lives	Balance As at January 1, 2010	Additions	Amortization	Write-off/ Transfer out	Balance As at December 31, 2010
Leasehold right	12 years	16,142,338	-	(1,260,582)	-	14,881,756
Software	1-5 years	12,682,846	3,136,545	(4,927,665)	(189,676)	10,702,050
TFEX membership	-	3,414,469	-	-	-	3,414,469
Website development cost	1-3 years	117,332	-	(79,775)	-	37,557
»» Total		32,356,985	3,136,545	(6,268,022)	(189,676)	29,035,832
Intangible assets under development		691,818	2,875,917	-	(1,802,433)	1,765,302
»» Total		33,048,803	6,012,462	(6,268,022)	(1,992,109)	30,801,134

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2009						
	Remaining useful lives	Balance As at January 1, 2009	Additions	Amortization	Write-off/ Transfer out	Balance As at December 31, 2009
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
Amortization for the years ended						
»» December 31, 2010						6,268,022
»» December 31, 2009						7,247,419

»» NOTES TO THE FINANCIAL STATEMENTS

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).

4.10 Other assets

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS As at December 31,		SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2010	2009	2010	2009
Accrued fee income	973,894	576,113	802,694	576,113
Prepaid expense	1,944,761	1,955,192	1,923,746	1,934,022
Receivable-Revenue Department	-	10,467,408	-	10,349,508
Other receivable - subsidiary	2,219,631	-	2,219,631	-
Others	1,131,500	1,397,282	885,023	939,418
»» Total	6,269,786	14,395,995	5,831,094	13,799,061

4.11 Post-Employment Benefits Obligation

As at December 31, 2010, the Company and subsidiary calculated post-employment benefits obligation by using actuarial technique, the assumptions are included discount rate for staff and management are 4.181% and 3.879% respectively, (As at December 31, 2009: 4.765% and 4.462% respectively), turnover rate 12%, salary increase rate based on the historical data and retirement age at 60 years.

The Company and subsidiary recognized post-employment benefits obligation as liabilities in the consolidated and separate balance sheets as at December 31, 2010 of Baht 6.7 million and Baht 5.9 million, respectively, (As at December 31, 2009: Baht 2.3 million and Baht 2.3 million, respectively)

The Company and subsidiary recognized past service cost as expenses by using straight-line method over 5 years. Post-employment benefits expenses in the consolidated and separate financial statements for the years ended December 31, 2010 and 2009 are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Post-employment benefits expenses	4.4	2.3	3.6	2.3

4.12 Other liabilities

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS As at December 31,		SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2010	2009	2010	2009
Accrued expenses	13,183,605	9,100,072	13,045,819	8,988,294
Withholding tax payable	2,928,062	2,571,343	2,749,283	2,560,127
Value added tax payable	1,817,091	1,107,560	1,778,203	1,101,348
Others	13,227,784	7,520,721	10,941,305	7,516,771
»» Total	31,156,542	20,299,696	28,514,610	20,166,540

5. 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.

6. 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 28, 2010, the year 2010 Annual General Meeting of the Company's shareholders approved payment of a dividend to its shareholders of Baht 0.03 per share or a total of Baht 19.1 million. The dividend will be paid on May 14, 2010.

7. 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 million 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 million 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.

»» NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2010, the Company has net capital requirement of Baht 763.7 million or 166.78 % of liabilities and assets held as collateral (As at December 31, 2009, the Company has net capital requirement of Baht 641.4 million or 222.01% 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. 20/2552 regarding "Principle for Maintaining Capital Adequacy of Securities Company", the subsidiary shall maintain shareholders' equity at least Baht 10 million with the warning level at Baht 15 million. 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 million. As at December 31, 2009, financial statements showed shareholders' equity amount of Baht 6.5 million. The subsidiary complies with the Notification of the Securities and Exchange Commissions above completely, regarding the subsidiary cannot maintain capital adequacy required.

On August 30, 2010, the Board of Directors of a subsidiary had passed a resolution to dissolve its business and return the fund management license to the Ministry of Finance. On December 22, 2010, The Ministry of Finance has approved the subsidiary to dissolve fund management business and financial advisory business, which effective on December 31, 2010 onward (see Note 1). Subsequently, on January 31, 2011, the Extraordinary Shareholders' Meeting No. 1/2011 of the subsidiary had passed a special resolution to dissolve the subsidiary and the subsidiary has registered the dissolution with the Ministry of Commerce on February 11, 2011 (see Note 17), currently the subsidiary has no plan to manage its capital.

8. FEES AND SERVICES INCOME

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2010	2009	2010	2009
Financial advisory fee	6,070,000	1,624,998	-	-
Ongoing fee	8,956,926	7,523,347	8,956,926	7,523,347
»» Total	15,026,926	9,148,345	8,956,926	7,523,347

9. DIRECTORS AND MANAGERMENTS' REMUNERATION

9.1 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.

9.2 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".

10. CORPORATE INCOME TAX

Corporate income tax for the period 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, 2010 and 2009 to conform to such tax rate change.

11. 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.

»» NOTES TO THE FINANCIAL STATEMENTS

During the years ended December 31, 2010 and 2009, the Company and its subsidiaries have contributed Baht 10.0 million and Baht 10.1 million, respectively, to the fund and contributed by the Company only Baht 9.6 million and Baht 9.7 million, respectively.

12. 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). 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 FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,		Pricing policy
	2010	2009	2010	2009	
»» Parent company					
Brokerage fees income	252,412	210,958	252,412	210,958	0.20% of trading volume
Interest income	790,146	1,749,768	572,233	1,384,114	0.50% - 4.50% per annum
Dividend payment	13,393,736	-	13,393,736	-	As declared
»» Subsidiaries					
Service income	369,207	-	369,207	411,320	Market price and cost plus margin
»» Related companies					
Fee income	792,179	688,852	792,179	688,852	0.25% - 0.50% of net assets value of the fund
Interest income	37,253	285,938	25,324	277,083	0.25%-3.40% per annum
Insurance expenses	708,799	753,163	706,326	727,901	Market price
Rental and service expenses	12,030,525	13,356,922	11,633,725	12,947,722	Market price
»» Director and management level employees					
Brokerage fees income	50,122	295,433	50,122	295,433	0.25% of trading volume

»» NOTES TO THE FINANCIAL STATEMENTS

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

Unit : Baht

		Relationship	CONSOLIDATED FINANCIAL STATEMENTS As at December 31,		SEPARATE FINANCIAL STATEMENTS As at December 31,	
			2010	2009	2010	2009
Parent company						
Cash and cash equivalents The Siam Industrial Credit Plc.		Parent company	122,067,700	124,700,000	105,000,000	107,000,000
Related company						
Cash and cash equivalents The Siam Commercial Bank Plc.		Shareholder of parent company	21,581,215	42,507,508	15,495,683	37,635,666
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
Other account receivable SICCO Advisory Company Limited		subsidiary	2,219,631	-	2,219,631	-

13. 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 : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS As at December 31,		SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2010	2009	2010	2009
»» Year				
2011	18.7	4.8	18.2	4.8
2012	10.7	0.9	10.6	0.9
2013	8.9	-	8.9	-

»» NOTES TO THE FINANCIAL STATEMENTS

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, 2010 and 2009, there were outstanding bank guarantees of Baht 1.4 million issued by a bank on behalf of the Company.

14. 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, 2010 and 2009 are as follows:

Unit : Million Baht

	For the years ended December 31,							
	Securities business		Other business		Elimination entries		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues	401	368	6	2	-	-	407	370
Expenses	(345)	(339)	(9)	(6)	5	6	(349)	(339)
Income (loss) before income tax	56	29	(3)	(4)	5	6	58	31
Corporate income tax	(18)	(4)	-	-	-	-	(18)	(4)
Income (loss) from continued operations	38	25	(3)	(4)	5	6	40	27
Loss from discontinued operations	(3)	(11)	-	-	-	-	(3)	(11)
Income (loss) before minority interests	35	14	(3)	(4)	5	6	37	16
Loss of minority interests	-	-	-	-	1	5	1	5
»» Net income (loss)	35	14	(3)	(4)	6	11	38	21

»» NOTES TO THE FINANCIAL STATEMENTS

The financial information by segment, securities business and other businesses, as of December 31, 2010 and 2009 are as follows:

Unit: Million Baht

	Securities business As at December 31,		Other business As at December 31,		Elimination entries As at December 31,		Total As at December 31,	
	2010	2009	2010	2009	2010	2009	2010	2009
Cash and cash equivalents	197	197	19	18	-	-	216	215
Long-term deposits at financial institutions	3	3	-	-	-	-	3	3
Net investments in debt and equity securities	245	178	1	1	-	-	246	179
Investments in subsidiaries	18	23	-	-	(18)	(23)	-	-
Receivables from Clearing House	-	16	-	-	-	-	-	16
Net securities and derivative business receivables and accrued interest receivables	836	689	-	-	-	-	836	689
Leasehold improvements and equipment - net	32	39	-	-	-	-	32	39
Intangible assets - net	31	34	-	-	-	-	31	34
Deposits	12	12	-	-	-	-	12	12
Clearing Fund	20	19	-	-	-	-	20	19
Other assets	6	14	1	-	-	-	7	14
»» Total	1,400	1,224	21	19	(18)	(23)	1,403	1,220

15. DISCONTINUED OPERATIONS

Book value of assets and liabilities related to the wind up subsidiary as at December 31, 2010 are as follows:

(Unit : Baht)

		As at December 31,
		2010
»» Assets		
Cash and cash equivalents		3,903,967
Other assets		16,194
Total assets		3,920,161
»» Liabilities		
Other liabilities		30,000
»» Assets, net		3,890,161

»» NOTES TO THE FINANCIAL STATEMENTS

The results of business operation and cash flows of the wind up subsidiary included in the consolidated statements of income as follows:

(Unit: Baht)

	For the years ended December 31,	
	2010	2009
»» The results of discontinued operations		
Private Fund management incomes	-	925,547
Other incomes	9,618	120,283
Total Revenues	9,618	1,045,830
Related Private Fund management costs and expenses	(2,604,444)	(12,301,505)
Loss from discontinued operations	(2,594,826)	(11,255,675)
»» Cash flows from discontinued operations		
Cash flows used in operating activities	(343,947)	(7,253,669)
Cash flows provided by investing activities	-	427,957
Net cash flows	(343,947)	(6,825,712)

16. FINANCIAL INSTRUMENTS

December 31, 2010 and 2009, the Company and its subsidiaries do not have policy to speculate or trade in any derivative financial instruments.

16.1 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.

16.2 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.

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS As at December 31, 2010 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	6.1	127.7	14.1	-	-	-	67.9	215.8	0.25	0.875 - 2.00
Long-term deposits at financial Institutions	-	-	-	2.6	-	-	-	2.6	-	2.00 - 2.50
Net investments in debt and equity securities	-	-	-	-	-	-	245.4	245.4	-	-
Securities and derivative business receivables and accrued interest receivables	-	516.8	-	-	-	76.4	319.4	912.6	-	7
»» Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	90.7	90.7	-	-
Securities and derivative business payables	-	-	-	-	-	-	295.1	295.1	-	-

Unit : Million Baht

CONSOLIDATED 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	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	-	-

»» NOTES TO THE FINANCIAL STATEMENTS

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS As at December 31, 2010 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	-	124.7	-	-	-	-	67.9	192.6	0.25	0.875 - 2.00	
Long-term deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.00 - 2.50	
Net investments in debt and equity securities	-	-	-	-	-	-	244.9	244.9	-	-	
Investments in subsidiaries	-	-	-	-	-	-	18.3	18.3	-	-	
Securities and derivative business and accrued interest receivables	-	516.8	-	-	-	76.4	319.4	912.6	-	7	
»» Financial liabilities											
Payable to Clearing House	-	-	-	-	-	-	90.7	90.7	-	-	
Securities and derivative business payables	-	-	-	-	-	-	295.1	295.1	-	-	

»» NOTES TO THE FINANCIAL STATEMENTS

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	-	-
Investments 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	-	-

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, 2010			
Financial Instruments	Average balance	Interest income/ expenses	Average Yield (%)
»» Financial assets			
Cash and cash equivalents	186,599,035	5,239,633	2.81
Long-term deposits at financial institutions	2,603,960	28,500	1.09
Investments in debt and equity securities	162,362,387	-	-
Securities and derivatives business receivables and accrued interest receivables	896,159,104	31,180,702	3.48

»» NOTES TO THE FINANCIAL STATEMENTS

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

SEPARATE FINANCIAL STATEMENTS As at December 31, 2010			
Financial Instruments	Average balance	Interest income/ expenses	Average Yield (%)
»» Financial assets			
Cash and cash equivalents	164,541,052	5,009,792	3.04
Long-term deposits at financial institutions	2,603,960	28,500	1.09
Investments in debt and equity securities	161,873,637	-	-
Securities and derivatives business receivables and accrued interest receivables	896,159,104	31,180,702	3.48

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

16.3 Liquidity risk

The periods of time from the balance sheet date to the maturity dates of financial instruments as of December 31, 2010 and 2009 are as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS As at December 31, 2010 Outstanding balances of net financial instruments							
	At call	Within 1 year	1 - 5 year	Over 5 years	No maturity	Non-per- forming receivables	Total
»» Financial assets							
Cash and cash equivalents	201.7	14.1	-	-	-	-	215.8
Long-term deposits at financial institutions	-	-	2.6	-	-	-	2.6
Net investments in debt and equity securities	-	237.1	-	-	8.3	-	245.4
Securities and derivative business receivables and accrued interest receivables	516.8	319.4	-	-	-	76.4	912.6
»» Financial liabilities							
Payable to Clearing House	-	90.7	-	-	-	-	90.7
Securities and derivative business payable	-	295.1	-	-	-	-	295.1

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS As at December 31, 2009 Outstanding balances of net financial instruments							
	At call	Within 1 year	1 - 5 year	Over 5 years	No maturity	Non-per- forming 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

»» NOTES TO THE FINANCIAL STATEMENTS

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS							
As at December 31, 2010							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1 - 5 year	Over 5 years	No maturity	Non-per- forming receivables	Total
»» Financial assets							
Cash and cash equivalents	192.6	-	-	-	-	-	192.6
Long-term deposits at financial institutions	-	-	2.6	-	-	-	2.6
Net investments in debt and equity securities	-	237.1	-	-	7.8	-	244.9
Investments in subsidiary companies	-	-	-	-	18.3	-	18.3
Receivables from Clearing House	-	-	-	-	-	-	-
Securities and derivative business receivables and accrued interest receivables	516.8	319.4	-	-	-	76.4	912.6
»» Financial liabilities							
Payable to Clearing House	-	90.7	-	-	-	-	90.7
Securities and derivative business payables	-	295.1	-	-	-	-	295.1

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS							
As at December 31, 2009							
Outstanding balances of net financial instruments							
	At call	Within 1 year	1 - 5 year	Over 5 years	No maturity	Non-per- forming 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
Investments 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 payables	-	243.6	-	-	-	-	243.6

16.4 Foreign exchange risk

As at December 31, 2010 and 2009, the Company and its subsidiaries do not have any material financial instruments in foreign currencies.

16.5 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, 2010 and 2009, fair values of financial assets and liabilities are not significantly different from their carrying values.

17. EVENTS AFTER BALANCE SHEET DATE

The Company

In January 2011, the Company has been a defendant in the Civil Court for a claim of Baht 3,374,730, the lawsuit has not been judged by the Civil Court, the Company's management believe that the Company will have no loss from the lawsuit. Therefore, the Company has not yet recorded such contingent liabilities in the financial statements for the year ended December 31, 2010.

The Subsidiary - SSEC Asset Management Securities Company Limited

On January 31, 2011, the Extraordinary Shareholders' Meeting No. 1/2011 of SSEC Asset Management Securities Company Limited (subsidiary) had passed a special resolution to dissolve the subsidiary and the subsidiary has registered the dissolution with the Ministry of Commerce on February 11, 2011.

18. APPROVAL FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by authorized director of the Company on February 16, 2011.



บริษัทหลักทรัพย์ ซิกโก้ จำกัด (มหาชน)

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