

ANNUAL REPORT

2011

บริษัทหลักทรัพย์ ซิกโก้ จำกัด (มหาชน)

SICCO Securities Public Company Limited

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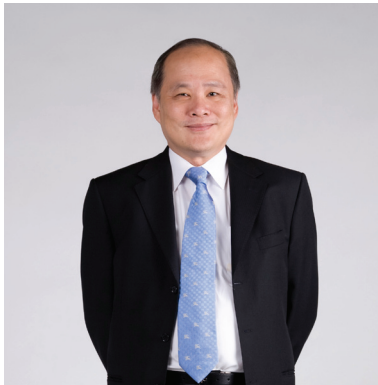
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01 | Financial Highlights of the Company

	2011	2010	2009
Financial Position (Million Baht)			
Total Assets	1,257.71	1,396.57	1,217.50
Total Liabilities	310.65	465.97	305.82
Total Equity	947.05	930.59	911.67
Financial Performance (Million Baht)			
Total Income	386.20	401.19	368.01
Total Expenses	336.46	345.34	338.72
Income (Loss) before Income Tax	49.74	55.85	29.29
Net Income (Loss)	35.58	38.04	25.31
Per share (Baht)			
Book Value Per Share	1.49	1.46	1.43
Earning Per Share	0.056	0.060	0.040
Par Value	1.00	1.00	1.00
Dividend Per Share	—*	0.03	0.03
Profitability (%)			
Return on Equity (%)	3.79	4.13	2.81
Return on Assets (%)	2.68	2.91	2.22
Other (%)			
Net Capital Ratio (%)	279.98	166.78	222.01

* To be proposed in AGM 2012 dated April 25, 2012 for an omission of dividend payment for the year 2011.

02 | Message from the Board of Directors



On the whole, Thai stock market in 2011 was highly volatile. Market improvements during the first half resulted from the growth in earnings of listed companies and investment capital inflow from European region and the US. These contributed to the peak of SET Index at 1,148.28 points in the third quarter. However, Thai stock market experienced a downturn over the fourth quarter due to the threat of intensified European public debt problem and the flooding disaster in the country. Securities trading volume decreased and SET index dropped to the lowest level at 843.69 points in October 2011 before rebounding.

According to the aforementioned, average daily trading value increased slightly from Baht 28,668.97 million in 2010 to Baht 28,854.34 million in 2011. At 2011 year-end, SET Index closed at 1,025.32 points, reducing by 7.44 points from 1,032.76 points at ending 2010.

Operating performance of the Company and its subsidiary for 2011 registered a net profit of Baht 35.58 million, equal to Baht 0.056 earnings per share. When compared to Baht 38.58 consolidated net profit in 2010, the figure declined by Baht 3 million or 7.78%, owing mainly to: -

1. Securities brokerage income in 2011 was Baht 303.76 million against Baht 336.92 million in 2010, a year-on-year decrease of Baht 33.16 million or by 9.84%. This coincided with the lessening of the Company's brokerage market share from 1.48% in 2010 to 1.28% in 2011.
2. Futures brokerage income rose from 2010 by Baht 6.11 million or by 38.54%, as the average daily trading volume in the market soared by 120.34% from 18,676 contracts/day in 2010 to 41,145 contracts in 2011.
3. Private Investment income dropped from that of 2010 by Baht 0.31 million or by 3.43%, for reason that size of funds on average slightly diminished.
4. Interest income on margin loans in 2011 was higher than that in 2010 by Baht 3.94 million, or equal to a 12.64% increase, because the Company granted more loans to credit balance clients. Average loan receivables in 2011 was Baht 564.03 million, compared to Baht 463 million in 2010.

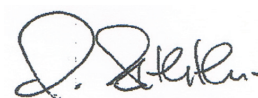
5. Total expenses of the Company and its subsidiary registered at Baht 333.40 million, reducing by 2.75% from Baht 342.82 million total expenses in 2010. Major causes were the decrease in expense on marketing personnel incentives due to lower trading volume, and the recovery of bad debts and doubtful accounts upon debt repayment.

In 2011, the Company was on the threshold of a major change. On 29 September 2011, the Company was notified by the Siam Industrial Credit PCL ("the parent company") of the Share Sale and Purchase Agreement between the parent company and CIMB Securities International Pte Ltd ("CSI") to sell all 446,457,860 shares of the Company held by the parent company, representing 70.06% of total shares sold, to CSI at the price of Baht 1.72 per share.

In response to the change, the Company will keep to the Going Concern concept of business operation until the share sale to CSI is complete, which is expected to be so within the first quarter of 2012. Then, further business restructuring plan will be discussed in order to seek a suitable business direction. However, retail customers are still the main focus. In addition, with the tendency of decreasing commission income due to brokerage fee liberalization in 2012 and the growing internet trading transactions, the Company will give priority to securities and derivatives trading system online, by developing a swifter and more user-friendly internet trading system. The Company aims to draw more income from interest on margin loans and private investment fees.

The Company aims to pursue sustainable growth via continual learning programs and seminars for investors and its employees, effective costs and expenses management, and good corporate governance.

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



(Mr. Pises Sethsathira)
Chairman

03 | Report of the Audit Committee



The Audit Committee of SICCO Securities Public Company Limited consists of 3 independent directors, all of which are qualified according to the notification of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, namely Mr. Yothin Pibulkasetkij, the Audit Committee Chairman, Mr. Apichai Anukularmphai and Mr. Nopadol Yingchatchaval, the Audit Committee members, with the Senior Deputy Managing Director Head of Audit and Compliance Group as the Secretary to the Committee.

The Audit Committee has discharged its duties within the scope of responsibilities designated by the Company's Board of Directors and in accordance with the Charter of the Audit Committee. Major activities could be summarized as follows:-

1. In 2011, the Audit Committee held 4 meetings, every of which attended by all its members. The Management, the external auditors and the executives from Audit and Compliance Division were also invited to the meetings concerned. It also held a meeting with the external auditors without the presence of the Management, to review audit findings and recommendations as well as to acknowledge clarifications of the persons in charge.

Audit Committee	Position	Meetings Attended/Meetings Held
Mr. Yothin Pibulkasetkij	Audit Committee Chairman	4/4
Mr. Apichai Anukularmphai	Audit Committee Member	4/4
Mr. Nopadol Yingchatchaval	Audit Committee Member	4/4

2. Reviewing and endorsing the Company's quarterly and annual financial statements before proposing the statements to the Board of Directors. In this regard, the Company's financial statements were correct, complete, duly prepared in accordance with generally-accepted accounting standards, and adequately disclosed.

3. Reviewing and assessing the adequacy of internal control system in various areas; reviewing the operations of Audit and Compliance Division; and approving the Company's Audit Plan for 2011. In addition, the Committee had made some suggestions for more efficiency.

4. Reviewing related transactions or transactions that may lead to a conflict of interest; and ensuring that significant information was disclosed adequately and more clearly according to good corporate governance principles. These transactions were executed based on reasonable criteria, and in conformity with normal business practice and general commercial conditions.

5. Reviewing and monitoring the Company's risk management in relation to securities business undertaking, based on the Risk-Based Approach guidelines of the Office of the Securities and Exchange Commission together with the Risk Management Policy for the Financial Business Group of the Siam Commercial Bank Public Company Limited. The activity was carried out by considering the Management reports on risks concerning financial adequacy and security, operating system and procedures, clients' assets and information, and information management.

6. Selecting and proposing the appointment of the Company's external auditors and audit fees to the Company's Board of Directors, for further approval by the Annual General Shareholders Meeting.

7. According to the Self-Assessment for 2011 performance, the Audit Committee had fully observed the Charter of the Audit Committee in performing its duties. Furthermore, the Charter had been amended in line with the law, rules and regulations of regulatory bodies as well as of the Company.

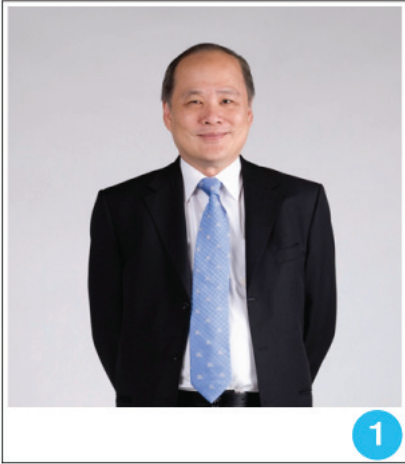
Having reviewed the audit report and performance overview of the Audit and Compliance Division, the Audit Committee opined that the Company's internal control system was sufficient and consistent with business risk exposure and operations. Its financial statements disclosed sufficient information in accordance with generally-accepted accounting standards and the Auditor's report. Related transactions were executed according to type of business and general business practice. The external auditors performed their duties properly and independently. The Board of Directors and the Management worked resolutely toward the accomplishment of corporate goal, while observing good business ethics and preventing any conflict of interest.



(Mr. Yothin Pibulkasetkij)
Audit Committee Chairman

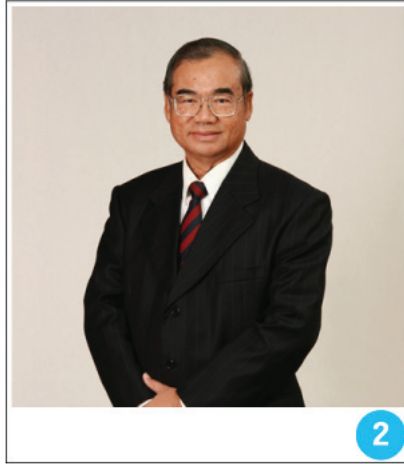
9 January 2012

04 | Board of Directors



1. Mr. Pises Sethsathira

Chairman
Chairman of the Executive Directors
Chairman of the Compensation
Committee



2. Mr. Yothin Pibulkasetkij

Independent Director
Audit Committee Chairman
Compensation Committee Member



3. Mr. Apichai Anukularmphai

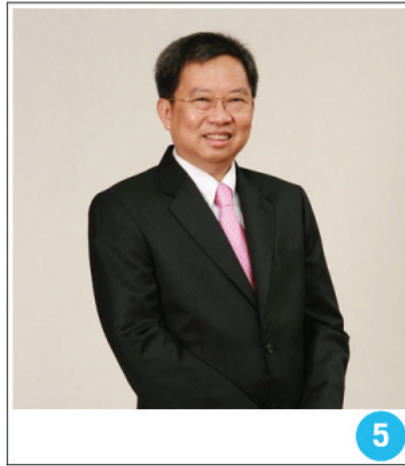
Independent Director
Audit Committee Member
Compensation Committee Member

04 | Board of Directors



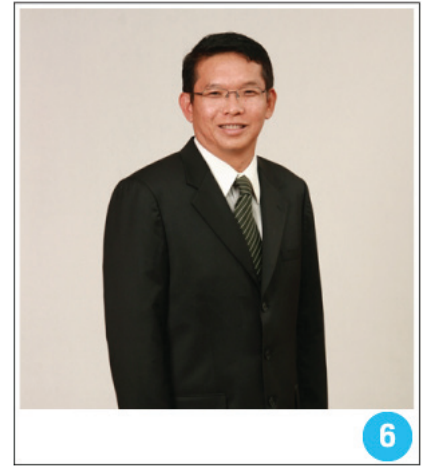
4. Mr. Nopadol Yingchatchaval

Independent Director
Audit Committee Member
Compensation Committee Member



5. Mr. Siripong Sutharoj

Director
Executive Director
Chief Executive Officer and
President



6. Mr. Chakkris Uthayophas

Director
Executive Director
Senior Deputy President

05 | General Information

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	1.00 Baht

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.ssecclick.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

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 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

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

SICCO Advisory Co., Ltd.

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

Other Reference Persons

Securities Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Tel: 0-2229-2800 Fax: 0-2359-1259

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

06 | Nature of Business

SICCO Securities Public Company Limited (abbreviation: SSEC) is the SET member no. 5 and undertakes securities business. Its subsidiary is SICCO Advisory Company Limited, which undertakes financial advisory services. Details of the Company's business are as follows:-

1. Securities Brokerage Business

The Company's main income is from securities brokerage. In rendering the services, it abides by the ethical code of conduct, accuracy and swiftness through modern information technology system. Prompt news and information update as well as efficient investment consultation are provided for retail, institutional and foreign investors. Clients can place their trading orders via 2 channels, which are through the Company's investor contacts, and through the internet trading system on their own.

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

1. Account traded on a cash basis

1.1 Cash Account: Clients can trade securities within the limit approved according to their statement, by depositing a cash guarantee for the amount of 15% of the approved limit as stipulated by the Stock Exchange of Thailand. Settlement of securities traded must be made within 3 working days after trading transaction, 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, where clients can hedge their 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 credited to 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.

Securities Trading Volume

	2011	2010	2009
Stock Exchange (M. Baht)	6,243,180*	6,188,253*	3,856,510*
The Company (M. Baht)	163,207*	183,257*	128,952*
Market Share (%)	1.31*	1.48*	1.49*
Market Rank	25*	24*	26*
The Company's Trading Volume by Types (M. Baht)			
• Type of Clients*			
• Retail Clients	155,100	175,057	122,325
• Institutional and Foreign Clients	8,107	8,197	6,469
• Type of Accounts (through investor contacts only)			
• Cash Accounts	76,108	84,871	76,052
• Credit Balance Accounts	10,856	10,423	6,339
• Type of Ordering Channels			
• Investor Contacts	88,912	98,239	82,391
• The Internet	74,568	85,405	46,585

* Excluding the Company's investment portfolio

2. Derivatives Trading Business

In the year 2011, the Company provided 7 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 Thailand Futures Exchange (TFEX) has designated big-cap high-liquidity ordinary stocks listed on SET 50 Index as underlying assets. At present, there are 30 stocks announced as underlying assets.

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 when the gold prices either rise or fall. Gold futures contract thus becomes an interesting alternative to make profit and hedge risks on investment portfolio. The night session for gold futures trading has been launched, in service from 19.30-22.30 hrs.

2.4 Interest Rate Futures Contract, a tool for making profits from the movement of underlying interest rates. Being a tool for managing risks associated with interest rates, it bears less cost than other tools. The first underlying asset issued is standard hypothetical delivery bond under the 5-year Thai government bond with 5% coupon (5Y Gov Bond Futures). Subsequently, more underlying assets 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 THBFX Futures).

2.5 Silver Futures Contract uses silver bullion with the international trading standard purity of 99.99% silver as the underlying asset. Contract size is equal to silver bullion weighing 100 troy ounces. Settlement is made by cash in place of actual asset delivery. The additional of night trading service has been provided to clients between 19.30 - 22.30 hrs.

2.6 Oil Futures Contract, uses prices of Brent crude oil sourced from the North Sea located between Great Britain and Scandinavian Peninsula as the underlying assets. This kind of trading requires a small investment, i.e. only a cash guarantee of 10-15% of the contract value, while securities trading demands a settlement in full. The product is of high liquidity, actively traded and thus suitable for risk hedging. Generally, prices of oil futures do not change in relation to those of stocks; they usually move in different directions. For this reason, investors can use oil futures to diversify their investment risks.

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

Derivatives Trading Volume

	2011	2010	2009
Derivatives Market (contracts)	20,054,232	9,038,872	6,150,636
The Company (contracts)	106,594	66,044	114,705
Market Share (%)	0.53	0.73	1.86
Market Rank	31	33	19
Derivatives Trading Volume (Contracts)			
1. Futures			
• SET 50 Index Futures	54,723	30,354	105,602
• Stock Futures	29,229	25,697	2,439
• Gold Futures	22,291	9,469	5,722
• Interest Rate Futures (since 29 Nov. 2010)	-	-	-
• Silver Futures (since 20 Jun. 2011)	274	-	-
• Oil Futures (since 17 Oct. 2011)	20	-	-
2. Options			
• SET 50 Index Options	382	524	942

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 get assistance and advices from the Company's experienced and proficient officers who have earned investment planning certificates from the Office of Securities and Exchange Commission. As at 31 December 2011, the Company was the Mutual Fund Selling Agent for 19 asset management companies.

Net Asset Value

	2011	2010	2009
Fund Size* (M. Baht)	2,082,755	1,868,510	1,676,301
The Company (M. Baht)	5,222	5,235	5,281
Market Share (%)	0.25	0.28	0.32

* 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 provides securities underwriting services to securities issuers who wish to offer their securities, debt instruments and equity instruments for sale to general investors.

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 takes into account the stability and safety of investment fund, reasonable return rate, business relationships or benefits, adequate liquidity and other different risks. Monthly investment reports are submitted to the Executive Committee, who will consider the reports and subsequently propose them to the Board of Directors. Investment policy will be reviewed annually. With regard to loss limitation, it is determined in compliance with the investment policy approved by the Board of Directors.

6. Investment Advisory Business

The Company undertakes investment advisory business to render advisory services to general or specific investors. Services include advices on securities selection, reports on investment trend in the SET, and analysis for securities that well match and suit clients' investment plan. It attaches great importance on the appropriateness of the plan and best interest of the clients.

7. Securities Borrowing and Lending Business

The Company acts as an intermediary and agent for all types of investors. Those who borrow securities for short-selling can utilize this in diversifying their investment portfolio or making profit in the downtrend market. Likewise, securities lenders can gain from this transaction by earning fees from lending the securities in their holding and thereby receiving collateral of value greater than the loaned securities, while maintaining the right to any other benefits such as dividend, rights issue subscription, etc. In this regard, the Company shall act as the contractual party for borrowers and lenders, provided that the securities eligible for transaction must be classified as securities in SET 50 and TDEX or ENGY.

8. 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 planning, the capital restructuring planning, the merger and acquisition, and such financial advisory services as project feasibility analysis, securities valuation and etc.

The Company's main income last year was from financial advisory services for joint venture partnership facilitation, SET listing applications, and consultancy for business enterprises.

07 | 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	303.76	77.09	336.92	82.76	289.65	78.61
• derivative business	Company	21.97	5.57	15.85	3.89	33.66	9.13
• wealth management	Company	8.65	2.20	8.96	2.20	7.52	2.04
Total fees		334.38	84.86	361.73	88.85	330.83	89.78
1.2 Fees and service income	SAC	7.74	1.96	6.07	1.49	1.62	0.44
	SSECAM	-	-	-	-	0.93	0.25
Total fees and services income		7.74	1.96	6.07	1.49	2.55	0.69
1.3 Gain (loss)							
• on trading in securities	Company	6.22	1.58	1.33	0.33	1.26	0.34
	SAC	0.13	0.03	-	-	-	-
• on trading in derivative business	Company	(0.06)	(0.01)	(0.01)	0.00	(0.05)	(0.01)
Total Gain (loss) on trading in securities		6.29	1.60	1.32	0.33	1.21	0.33
1.4 Interest and dividend	Company	9.25	2.35	6.11	1.50	7.33	1.99
	SAC	0.25	0.06	0.22	0.05	0.31	0.08
	SSECAM	0.01	0.00	0.01	0.00	0.06	0.02
Total interest and dividend		9.51	2.41	6.34	1.55	7.70	2.09
1.5 Interest on margin loans	Company	35.10	8.91	31.18	7.66	27.99	7.60
Total securities business income		393.02	99.74	406.64	99.88	370.28	100.49
2. Other income							
2.1 Gain (loss) on disposal of fixed assets	Company	0.40	0.10	-	-	(0.06)	(0.01)
	SSECAM	0.06	0.02	-	-	(2.12)	(0.58)
Total Gain (loss) on disposal of fixed assets		0.46	0.12	-	-	(2.18)	(0.59)
2.2 Other income	Company	0.55	0.14	0.48	0.12	0.30	0.08
	SSECAM	-	-	-	-	0.06	0.02
Total other income		0.55	0.14	0.48	0.12	0.36	0.10
Total other income		1.01	0.26	0.48	0.12	(1.82)	(0.49)
Total		394.03	100.00	407.12	100.00	368.46	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 99.99% of total share and registered the dissolution with the Ministry of Commerce on February 11, 2011.)

Overall Securities Business

SET Index at 2011 year-end closed at 1,025.32 points, down by 7.44 points or 0.72% when compared to 1,032.76 points at 2010 year-end. The collective SET-MAI market capitalization rose from Baht 7,033,947 million in 2010 to Baht 7,191,481 million in 2011, equal to a 2.24% increase. The collective average daily trading turnover of SET-MAI was up by 1.40% from Baht 29,066 million in 2010 to Baht 29,473 million in 2011.

Analysis of 2011 operating results ended 31 December 2011

For the fiscal year 2011, the Company and its subsidiary had a net profit of Baht 35.58 million equivalent to Baht 0.056 earnings per share, reducing by 7.77% against a net profit of Baht 38.58 million in 2010. Total income was Baht 394.03 million, reducing by Baht 13.09 million or 3.22% from Baht 407.12 million in 2010.

- Income from securities brokerage fees dropped by Baht 33.16 million or 9.84% from Baht 336.92 million in 2010 to Baht 303.76 million in 2011 because the Company's securities trading value declined from Baht 183,645 million in 2010 to Baht 163,488 million in 2011, to by Baht 20,157 million or 10.98%.
- Income from futures brokerage fees increased by Baht 6.11 million or 38.54% from Baht 15.86 million in 2010 to Baht 21.97 million in 2011, as the Company's futures trading volume in 2011 amounted to 106,871 contracts, growing 61.82% from 66,044 contracts in 2010.
- Income from fees and services rose by Baht 1.67 million, equal to a 27.51% increase from Baht 6.07 million in 2010 to Baht 7.74 million in 2011 in response to higher financial advisory income.
- Interest income on margin loan registered an increase of Baht 3.92 million or 12.58% from Baht 31.18 million in 2010 to Baht 35.10 million in 2011, in line with an improvement in the average margin loan amount.
- Total expenses of the Company and its subsidiary decreased by Baht 7.68 million or 2.18% from Baht 352.00 million in 2010 to Baht 344.32 million.
- Fee and service expenses dropped by Baht 0.84 million or 2.77% from Baht 30.38 million in 2010 to Baht 29.54 million. The expenses consisted of fees payable to the SET, TSD and TFEX, which varied according to securities trading volume, fees payable to commercial banks in relation to ATS services and business license fees, etc.
- Operating expenses fell by Baht 13.74 million or 4.18% from Baht 328.57 million in 2010 to Baht 314.83 million in 2010 due mainly to a reduction in personnel expenses in line with the decreasing securities trading volume.

Financial Status

Total Assets

As at 31 December 2011, the consolidated financial statements showed total assets of Baht 1,258.99 million, decreasing by Baht 141.47 million or 10.10% from Baht 1,400.46 million at 31 December 2010.

- Net investment in debt instruments and equities was Baht 178.39 million, down by Baht 67.02 million or 27.31% from Baht 245.41 million at 2010 year-end, due to the disposal of investment in unit trusts invested in government debt securities that carried low risks and high cash liquidity.
- Net securities business and derivatives business receivables amounted to Baht 769.39 million, decreasing by Baht 66.80 million or 7.99% from Baht 839.19 million at 2010 year-end. The change depended on securities trading transactions throughout the last 3 business day before the end of accounting period.
- Securities business and derivatives business receivables consisted of Baht 240.43 million receivables on cash accounts, Baht 526.04 million receivables on credit balance accounts, and Baht 70.09 million receivables of other types. Cash account receivables fell by Baht 75.93 million or 24.00% from Baht 316.36 million at ending 2010. Credit balance receivables rose by Baht 9.27 million or 1.79% from Baht 516.77 million at ending 2010. However, these receivables had placed collateral of higher value than total loan amount, and there was no outstanding balance.

Total Liabilities

As at 31 December 2011, the Company had total liabilities of Baht 311.94 million, decreasing by Baht 156.03 million or 33.34% when compared to Baht 467.97 million at 31 December 2010.

- Securities business and derivatives business payables was Baht 202.84 million, down by Baht 92.22 million or 31.25% from Baht 295.06 million at 2010 year-end, which corresponded to clients securities trading activities during the last 3 business days before the end of accounting period.
- Accrued commission payable to employees amounted to Baht 20.12 million, decreasing by Baht 9.41 million or 31.86% from Baht 29.53 at ending 2010.
- Corporate income tax payables was Baht 6.14 million, dropping by Baht 10.87 million or 63.91% from Baht 17.01 million at ending 2010.
- Employee benefit obligations amounted to Baht 9.47 million, increasing by Baht 2.73 million or 40.49% from Baht 6.74 million at ending 2010.

Sources of Funds

As at 31 December 2011, the Company's sources of funds comprised of liabilities Baht 311.94 million and Baht 947.05 million of shareholders' equity, with the debt to equity ratio equal to 0.33 times. Total liabilities were mostly securities and derivatives business payables totaling Baht 202.84 million, which were incurred by securities trading of the Company's clients. The Company had no loan-related obligations, yet had short-term credit lines, granted by financial institutions, 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 provide returns to the shareholders and to maintain an appropriate capital structure.

Maintenance of Net Capital Ratio (NCR)

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

As the Company holds the derivatives trading license in the category of derivatives brokerage under the law on derivatives trading, it must maintain its net capital ratio at the end of any working day at not less than Baht 25 million and not less than 7% of its general liabilities and pledged assets.

As at 31 December 2011, the Company maintained its net capital ratio at Baht 750.82 million, equal to 279.98% of the general liabilities and pledged assets, which was remarkably high in comparison to the SEC-prescribed NCR of 7%. (As at 31 December 2010, the Company's net capital ratio was Baht 763.70 million, equal to 166.78% of the general liabilities and pledged assets.

Major Factors Influencing Future Operations or Financial Status

Factors influencing the Company's future operations and financial status include Thailand's economic conditions and political stability, globally-interconnected foreign economies that affect investor confidence in stock market investment, interest rate trend, oil prices and etc. Besides, liberalization of securities brokerage fees can intensify the competition in securities business and consequently impact the Company's securities brokerage income.

The intensified competition induced by business liberalization will be the major influence on securities business in the future. The Company anticipated that the reduction of its rate of brokerage fees, thereby affecting its brokerage fees income – the main income, and eventually the net profit. To buffer such impacts, the Company has laid plans to increase its market share and income from other non-core fees, i.e. private investment fees, financial advisory fees and futures trading brokerage fees. In this regard, futures trading volume is expected to grow steadily as the SET has been launching new products to the futures exchange.

On 29 September 2011, the Siam Industrial Credit PCL ("SICCO"), the then major shareholder of the Company, had entered into a Share Sale and Purchase Agreement with CIMB Securities International Pte Ltd ("CSI") in order to sell all the Company's shares held by SICCO to CSI, at the amount of 446,457,860 shares or equal to 70.06% of its total paid-up shares and voting rights. On 15 February 2012, SICCO and CSI had consummated the sale and share transfer; thus CSI became the Company's major shareholder. When including 76,492,600 shares, representing 12% of total paid-up shares and voting rights, already held by CSI on 14 February 2012, the total shares of the Company held by CSI thus amounted to 522,950,460 shares or 82.07% of the total paid-up shares and voting rights of the Company. Therefore, the Company's business direction will be up to CSI, the major shareholder, which is a holding company of the CSI Group Sdn Bhd ("CIMBG") that undertakes a securities business similar to that of the Company. In this regard, CIS will decide on the Company's business policy toward the Company's operations or financial status in the future.

09

Changes During 2011

February

- 11 February The SSEC Asset Management Securities Co., Ltd. (subsidiary) registered its dissolution with the Ministry of Commerce.

June

- 20 June Initiated silver futures trading services, using 99.99% pure silver bullion of 100 troy ounces.
- 20 June Night session for gold futures and silver futures trading was initiated, in service from 19.30-22.30 hrs.

September

- 27 September The Siam Commercial Bank PCL ("the Bank") made the tender offer to purchase the Company's ordinary shares at the price of Baht 1.46 per share, during 28th September to 30th November 2011. This was a result of the Bank's shareholding in the Siam Industrial Credit PCL (the Parent Company) exceeding 50% of the Parent Company's total voting rights, where the Bank was required to make a tender to purchase the Company's shares according to the chain principle rule.
- 29 September Notified by the Siam Industrial Credit PCL ("SICCO"), the major shareholder, of SICCO's entering into the share sale and purchase agreement with CIMB Securities International Pte Ltd ("CSI") in order to sell all 446,457,860 shares of the Company held by SICCO, or 70.06% of total paid-up shares, to CSI at the price of Baht 1.72 per share.

October

- 17 October Initiated oil futures trading services as the 6th derivatives product, with Brent crude oil price as the underlying asset.

November

- 14 November Fixed the date of 1/2011 Extraordinary Shareholders Meeting for the resolution to approve the amendment to Article 7 of the Company's Articles of Association, so that the Company's shares could be transferred without any restriction.
- 23 November Registered the amendment to Article 7 of the Company's Articles of Association on unrestricted transfer of the Company shares, as resolved by 1/2011 Extraordinary Shareholders Meeting dated 14th November 2011.

December

- 6 December Reported results of the tender offer made by the Siam Commercial Bank PCL, where 101,075 shares, or 0.02% of the Company's total shares sold, were offered for sale.

10 | Market and Competition

Securities Business Environment in 2011

Equities

Thai stock market in 2011 was fairly volatile, with index dropping by approximately 7.44 points from 2010 year-end or a 0.72% decrease in yield. In August 2011, the index peaked at 1,148.28 points and then gradually decreased due to troubled U.S. economy as well as the far-reaching effects of the European debt crisis.

Major factor influencing the improvement of Thai stock market was the growth rate of earnings among Thai listed companies in 2011. Over the third quarter, the index rose to top out at 1,148.28 points in response to European and U.S. capital inflow. In the fourth quarter, the Thai stock market decelerated as European public debt problem posed a global threat, which resulted in soaring foreign bond yields and foreign investors' selling. Consequently, the index fell to hit the lowest level at 843.69 points in October before rebounding.

In 2011, there were 19 new companies applying for initial public offerings (IPO) on Thai stock markets: 4 companies for the SET, 9 for the MAI and the remaining 6 for the Property Fund Sector (PFUND). In this regard, 16 applications were approved: 3 were listed on the SET, 7 on the MAI and 6 on PFUND. (In 2010, there were 11 companies successfully enlisted: 4 on the SET and 7 on the MAI.)

At 2011 year-end, the SET Index closed at 1,025.32 points, down by 7.44 points or a 0.72% decrease. P/E ratio was recorded at 12.07 times, P/B ratio at 1.87 times, and market dividend yield at 3.72%. Average daily turnover value was Baht 28,854.34 million, increasing from Baht 28,668.97 million of the previous year. During the year, the SET Index peaked at 1,148.28 points and hit the bottom at 843.69 points. The MAI Index at ending 2011 closed at 264.23 points, dropping by 8.56 points or 3.14%, with P/E ratio being 16.36 times, P/B ratio 2.46 times and market dividend yield 2.97%. Average daily turnover value was Baht 272.26 million, rising from Baht 276.87 million last year. During the year, the MAI index reached its highest level at 320.41 points and the lowest at 223.07 points.

	2011	2010
SET		
SET Index		
• Closed	1,025.32	1,032.76
• Highest	1,148.28	1,055.25
• Lowest	843.69	679.45
Market Dividend Yield (%)	3.72	2.92
P/E Ratio	12.07	15.35
P/BV Ratio	1.87	2.04
Average Daily Turnover Value		
• Volume (million shares)	3,986.41	4,515.03
• Value (million Baht)	28,854.34	28,668.97
MAI		
MAI Index		
• Closed	264.23	272.79
• Highest	320.41	274.15
• Lowest	223.07	198.77
Market Dividend Yield (%)	2.97	3.11
P/E Ratio	16.36	18.39
P/BV Ratio	2.46	2.08
Average Daily Turnover Value		
• Volume (million shares)	272.26	276.87
• Value (million Baht)	618.95	396.93

Source: The Stock Exchange of Thailand

In terms of trading value by investor types, a net buy of foreign investors added up to Baht 5,119.41 million, proprietary trading to Baht 1,306.98 million, institutional investors to Baht 29,149.48 million and local investors to Baht 32,961.91 million, as per the following details:

Unit : Million Baht

2011	Institutional Investors		Proprietary Trading		Foreign Investors		Local Investors	
	Value	%	Value	%	Value	%	Value	%
Buy	616,134.04	8.75	947,410.79	13.46	1,633,404.71	23.20	3,843,508.33	54.59
Sell	645,283.52	9.17	946,103.81	13.44	1,638,524.12	23.27	3,810,546.42	54.12
Net	(29,149.48)	-	1,306.98	-	(5,119.41)	-	32,961.91	-

Source: The Stock Exchange of Thailand

- **Derivatives**

In 2011, sales volume of derivatives market grew from 18,676 contracts/day in 2010 to 41,145 contracts/day, equivalent to a 120.34% increase. There were 7 products traded on the market, namely SET 50 Index Futures, Single Stock Futures, Gold Futures, Interest Rate Futures, Brent Crude Oil Futures, Silver Futures and SET 50 Index Options. According to the Thailand Futures Exchange (TFEX), SET 50 Index Futures claimed the highest proportion of 42.99% (17,690 contracts/day) of the total trading volume, followed by Gold Futures that accounted for 40% (16,479 contracts/day). With regard to trading volume by investor types in 2011, local investors registered the highest proportion of 60.03%. Trading by institutional investors and foreign investors accounted for 33.55% and 6.42% of the total volume respectively. As for account opening in 2011, local investors recorded the highest number of new accounts of 95.9%, whereas those by institutional investors and foreign investors were 2.5% and 1.6%. Total accounts newly opened in 2011 amounted to 62,883 accounts, increasing by 21,003 accounts or 50.2% from 2010, details were as follows:

Types of Investor	2011 (%)		2010 (%)	
	New Accounts	Trading Volume	New Accounts	Trading Volume
Institutional Investors	2.5	33.6	2.8	32.7
Local Individuals	95.9	60.0	95.5	57.2
Foreign Investors	1.6	6.4	1.7	10.1
Total	100.0	100.0	100.0	100.0

Source: The Thailand Futures Exchange PCL

4.2.2 Competition in Securities Business

- **Equities**

In 2011, competition in securities industry was increasingly intense due to the introduction of sliding scale rules of brokerage fees in 2010-2011 and the forthcoming liberalization of brokerage fees in 2012. As a result, some securities companies had sought mergers and acquisitions, e.g. acquisition of United Securities by UOB Kay Hian Securities (Thailand) and merger between Thanachart Securities and Siam City Securities; as well as acquisition by foreign firms, e.g. acquisition of BFIT Securities by OSK Investment Bank Berhad and acquisition of Kim Eng Securities (Thailand) by Malayan Banking Berhad ("Maybank").

The launch of sliding scale calculation of brokerage fees during 2010-2011 could lead to decreasing brokerage fee income. Securities companies thus paid more attention to alternative income sources in order to reduce their reliance on securities brokerage fees. Measures included developing new financial products and services, such as derivatives warrants that were popular among investors; rendering private fund management services; and improving quality of technological services. In addition, proprietary investment activities started to play a crucial role in securities trading. Nevertheless, income structure of securities industry in 2011 indicated the high reliance on brokerage fees at over 50% of total income.

In 2011, there were 33 securities companies enlisted as the SET members. The number was so high that it incited correspondingly high competition in securities business. The company with the highest market share gained 11.74% and the one with the lowest share gained only 0.35%.

Table: Market Share of the Securities Trading Companies in 2011

Rank	Abbreviation	Market Share (%)
1	MBKET	11.74
2	FSS	5.10
3	CS	5.05
4	CGS	5.00
5	UBS	4.93
6	PHATRA	4.86
7	ASP	4.85
8	BLS	4.79
9	KGI	4.52
10	TNS	4.42
11	KTZ	4.16
12	PST	3.35
13	KS	3.31
14	MACQ	3.27
15	SCBS	3.04
16	DBSV	2.66
17	CLSA	2.63

Rank	Abbreviation	Market Share (%)
18	CNS	2.60
19	TSC	2.59
20	UOBKHST	2.47
21	KSS	2.41
22	GLOBLEX	2.16
23	JPM	1.55
24	KKS	1.40
25	SICSEC	1.28
26	TRINITY	1.27
27	CIMBS	1.15
28	AIRA	0.83
29	KTBST	0.62
30	US	0.59
31	ACLS	0.59
32	OSK	0.47
33	IVG	0.35

Source: The Stock Exchange of Thailand

• Derivatives

Competition in TFEX in 2011 was considerably fiercer when compared to 2010 because of a higher buy by proprietary portfolios coupled with the extremely volatile gold prices, which instigated more intense competition in Gold Futures market. Trading volume on Single Stock Futures rose slightly since the liquidity problem was still a hindrance to trading activities. Trading volumes of each product on the TFEX could be divided as follows:-

Trading Volume (contracts)	2011	2010	Change (%)
Futures	9,919,123	4,412,119	1.25
SET50 Index Futures	4,316,437	2,471,302	0.75
Stock Futures	1,578,092	969,353	0.63
Gold Futures	3,989,278	971,423	3.14
Interest Rate Futures*	429	41	9.46
Silver Futures**	31,567	-	-
Oil Futures**	3,320	-	-
Options	107,993	107,317	0.01
SET50 Index Options			
• Call	52,562	55,166	- 0.05
• Put	55,431	52,151	0.06
Total	10,027,116	4,519,436	1.22

* Traded since 2010

** Traded in 2011

- **Investment Banking**

In 2011, many companies delayed their listing on the SET due to unfavorable market conditions, caused by Thailand's flood crisis in the fourth quarter, Eurozone debt crisis and fluctuating capital markets worldwide. The SET had therefore got 10 new listed companies in 2011, equal to the capital raised of Baht 4,954 million. The value decreased from Baht 6,716 million registered in 2010, where there were 11 companies undertaking their IPOs for the purpose of enlisting on the SET.

Currently, competition in this business has been more intense. As of 16 December 2011, total financial advisory firms approved by the SEC amounted to 74, however 8 of which had temporarily suspended the services. As for the Company, its competitiveness lies in high-proficiency team capable of providing full-range financial services, as well as establishing good relationship and trust with the customers.

4.2.3 Securities Business Outlook for 2012

- **Equities**

When compared to 2011, Thai stock market in 2012 is expected to be more volatile, with negative factors of the unresolved debt crisis among EU members, especially the PIIGS economies (Portugal, Ireland, Italy, Greece and Spain), coupled with flooding disaster in Thailand in the late 2011. As a result, GDP growth is on a downtrend, while the NPL figure tends to increase. Meanwhile, the potential transfer of FIDF debt obligations from the government to the Bank of Thailand can impact the entire banking system and business sector. Moreover, the aggravating European sovereign debt crisis may lead to the appreciation of U.S. dollar, resulting in the outflows of capital from Asian stock markets as well as the withdrawal of investment in Thai stock market. In the beginning of 2012, Thai stock market is backed by the re-entrance of those foreign investors who had sold off their stocks over the last quarter of 2010. However, the persistent EU debt crisis with widespread effects will rouse a massive sale in Thai stock market. In this regard, the index adjustment is expected for Thai stock market in the second quarter of 2012. Selecting of stocks is thus an important task, where such sectors like Food, Agribusiness, Commerce, Information Technology, and Health Care Services will gain more interest. After the second quarter of 2012, Thai stock market tends to show a clearer sign of revival due to the return of capital inflow when there is a more certain solution to the European debt crisis and U.S. economy recovers.

It is expected that operating performance of listed companies will grow by approximately 5-10%, particularly in the second half of the year once those factories in manufacturing sector resume operations at full throttle after their productions had been halted on account of flooding crisis. In addition, the Cabinet Meeting on 11th October 2011 had approved the reduction of corporate tax rates, proposed by the Ministry of Finance, from 30% to 23% within 2012 and down to 20% within 2013. Effective since 1st January 2012, the measure can stimulate and promote investments in Thailand, especially by foreign investors, because it will bring the domestic tax base to the same level as those of other economies in the region. This is a strategy for attracting more funds from foreign investors. Although the government revenue collection will decrease by this, the government tax collection will increase in the long term.

Competition in securities business in 2012 tends to be more aggressive. The brokerage fees are still based on the sliding scale. For survival however, there will be more mergers of securities companies. Also, securities companies are likely to seek new income sources other than brokerage fee income.

- **Derivatives**

In 2012, derivatives market will give priority to increasing the liquidity of products on hand, by co-organizing sales promotional activities with its members in order to provide investors with trading strategies; encouraging publication of analyst papers; launching more products as alternatives for investors, e.g. silver futures or oil futures; and extending trading hours into nighttime, so that investors trading on unremittably-traded commodities like gold or silver can manage their risks more efficiently. It is expected that the minimum trading volume in 2012 will be around 25,000 contracts/day.

- **Mutual Fund**

In view of mutual fund business trend, the year 2012 will be a year in that fund managers need to devise a great deal of strategies for investment portfolio management since the underlying conditions will be increasingly volatile due to unstable economic recovery overseas along with domestic uncertainty in the aftermath of late-2011 flood calamity. Overall, it is expected that net asset value of funds in the industry will continue to expand, yet at a fairly low rate. Significant factors influencing the predictions are as follows:-

1. European economic crisis remains pervasive while U.S. economic recovery is so slow, causing investors much anxiety about investment in risk assets.
2. The effect of flooding crisis is still the critical domestic pressure, making investors to delay their investments. Government economic stimulus measures are necessary. In addition, special attention should be given to the direction of government solving plans.
3. Debt instrument market continues to be popular as most of large-scale companies in Thailand still pursue investment expansion and thus be in need of fund mobilization. Interest rates are on the rebound this year because the Bank of Thailand is highly likely to implement monetary policies in order to curb inflation, which will result in the volatility of debt instrument investment condition.

11 | Risk Factors

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

According to the implementation of sliding scale brokerage fee calculation by the Office of the SEC and the Stock Exchange of Thailand, the rate of brokerage fees during January 2010 to December 2011 was in inverse proportion to the transaction volume, and such rate was negotiable when the volume rose to certain extent. Additionally, the liberally negotiable rate and the limitless issuance of securities business license will be commenced from 1 January 2012. The brokerage fee adjustment and liberalization in the future will result in a fiercer competition for market share, thus affecting the Company's profitability. Nevertheless, the Company is well aware of such risk and has been prepared for the intensified competition and the changing nature of securities business by devising business strategies for distribution of income structure in order to reduce reliance on brokerage fee income, adopting a strategy to increase income from interest on margin loans and from private banking brokerage, providing a greater variety of financial products to satisfy customer needs, improving its internet trading system, maintaining effective expense control, and encouraging skill and knowledge development for investor contact officers.

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 market condition and investor confidence. Market fluctuation due to such uncontrollable factors as political issues, economic situation, EU debt crisis and natural disaster, either domestic or international ones, can distress securities trading and affect the Company's market share and brokerage fee income in the end. To mitigate risk from such market fluctuation, the Company has restructured its business operations and income composition, so that it does not rely on any specific income and can render services appropriate to market conditions, e.g. unit trust selling services, and derivatives trading, etc.

3. Risk from Dependence on Major Customers

Having brokerage fees from retail customers as its main income, the Company may be exposed to risk from high-volume customer concentration. To reduce such risk, the Company has a policy on retail customer base expansion via various marketing promotional plans. These include attracting new clients with Easy Wealth Builder program, encouraging EWB clients to do the trading, joining the SET's Employee Joint Investment Program (EJIP), boosting volume among small-scale clients via points accumulation campaign, constantly organizing learning sessions for investors, seeking more income from private banking business, and increasing institutional customers.

4. Risk Regarding Personnel

Securities business relies on knowledgeable and high experienced personnel with license to act as investor contacts in order to give advice concerning securities trading and to expand customer base. Personnel having aforesaid qualifications and certain customer base are thus in dire need, leading to recruitment war and risk of marketing staff shortage.

The Company has therefore adopted a policy to continually develop personnel knowledge and skills, and also to retain competent personnel by providing appropriate incentives and fringe benefits in line with competition in the business.

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, possibly due to inappropriate offering prices or market uncertainty. In such case, the Company may suffer losses from keeping 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 direction of the issuers, along with survey the investors' interest in buying the offered securities. Such information is used in making a decision as to whether it should take up an underwriting deal.

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

The risk from bad debts and doubtful accounts arises when customers under credit balance and cash trading fail to meet payment within the time limit. The Company, by Risk Management Committee, has accordingly devised a policy to curb margin loan amount within the limit specified and suitable to current market situation. The maximum loan limit for each customer is set at 20% of the Company's capital fund, whereas total loan outstanding 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, in compliance with criteria of the Stock Exchange of Thailand, and also sets directives and procedures for settlement collection. In addition, it attaches great importance to customer screening by stipulating trading limit according to financial position of each customer, carefully reviewing customers' financial positions and credit limit, and ensuring that the Company's operations conform to the governing rules and regulations.

12 | Shareholders and Dividend Payment Policy

Shareholders

Major Shareholders (Latest book closing on February 16, 2012)

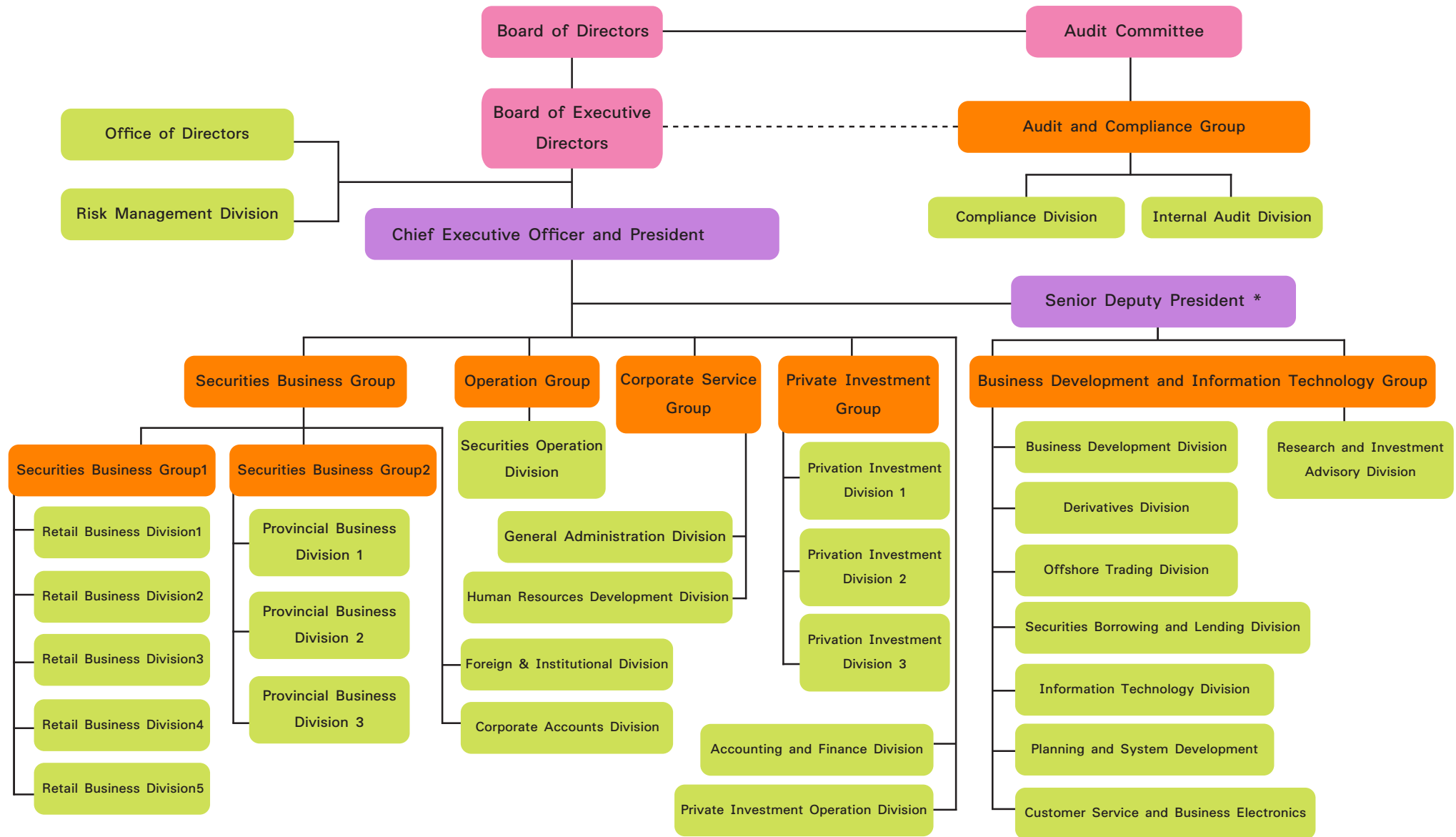
Name	No. of shares	% of paid up capital
Group of CIMB Securities International Pte Ltd	522,950,460	82.07
UOB KAY HIAN PRIVATE LIMITED	62,859,000	9.86
Mr. Anon Khunwisarn	12,632,102	1.98
Mr. Wisan Khunwisarn	12,500,000	1.96
Thai NVDR Company Limited	3,293,001	0.52
Mrs. Rungkarn Srisomboon	2,022,726	0.32
Mr. Pracha Priyawatakul	1,300,000	0.20
Mr. Chuwit Jitarasakul	1,240,000	0.19
Mr. Prayad Limsupanak	989,882	0.16
Mr. Kiat SrijomKhwan	500,000	0.08
Mr. Prasit Rojanapanukorn	500,000	0.08
Mrs. Wimolrut Sae Tang	500,000	0.08
Total	621,287,171	97.50

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 2007-2011 :

	Fiscal Year				
	2011	2010	2009	2008	2007
Approval	Present for approval in the AGM 2012	Approved in the AGM 2011	Approved in the AGM 2010	Approved in the AGM 2009	Approved in the AGM 2008
Net Income (Million Baht)	35.58	38.04	25.31	(30.32)	15.78
Earning Per Share (Baht)	0.056	0.060	0.040	(0.05)	0.025
Par Value (Baht)	1.00	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	≥ 50

* To be proposed in AGM 2012 dated April 25, 2012 for an omission of dividend payment for the year 2011.



Organization Chart as of December 31, 2011

* With the approval from the Board of Directors meeting 2/2011, the Senior Deputy President has been temporarily transferred to perform as Managing Director at the SICCO Advisory Co., Ltd. since May 1, 2010.

14 | 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. Pises Sethsathira <ul style="list-style-type: none"> Chairman Chairman of the Executive Directors Chairman of the Compensation Committee 	55	<ul style="list-style-type: none"> Master of Laws, Columbia University, USA. <u>Training Courses</u> <ul style="list-style-type: none"> Directors Accreditation Program Audit Committee Program The Thai Institute of Directors Association	-	-	Oct-11 - 14 Feb 12 Nov-10 - Present Mar-05 - Present Apr-10 - Present Apr-10 - Present Sep-09 - Oct-10 Apr-10 - Sep-11 Jan-05 - Jul-09	Chairman, Chairman of the Executive Directors, Chairman of the Compensation Committee Executive Vice President, Banking Finance 1 and Capital Market Division Independent Director Director Independent Director Executive Vice President, Corporate Finance Law Division Audit Committee Member Managing Director	SICCO Securities Plc. The Siam Commercial Bank Plc. TRC Construction Plc. Siam Commercial Leasing Plc. Thailand Iron Works Plc. The Siam Commercial Bank Plc. SCB Securities Co.,Ltd. Trinity Advisory 2001 Co., Ltd.
Mr. Yothin Pibulkasetkij <ul style="list-style-type: none"> Independent Director Audit Committee Chairman Compensation Committee Member 	65	B.A. (Commerce), Chulalongkorn University <u>Training Courses</u> <ul style="list-style-type: none"> Audit Committee Program Director Certification Program Company Secretary Program The Thai Institute of Directors Association <ul style="list-style-type: none"> Financial Leadership Program by The Wharton School, University of Pennsylvania Advanced Bank Management Program by Asian Institute of Management 	-	-	Aug-09 - Present 2005 - 2007 1999 - 2004	Independent Director, Audit Committee Chairman, Compensation Committee Member Chief Audit Officer, Audit Management Group Manager of Audit and Compliance Department	SICCO Securities Plc. The Siam Commercial Bank Plc. The Siam Commercial Bank Plc.

Name / Present Position	Age	Education	% of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization / Company
Mr. Apichai Anukularmphai <ul style="list-style-type: none"> Independent Director Audit Committee Member Compensation Committee Member 	66	<ul style="list-style-type: none"> M.Sc. In Civil Engineering, Louisiana State U., USA MBA., Utah State U., USA. National Defence College <u>Training Courses</u> <ul style="list-style-type: none"> Directors Accreditation Program Audit Committee Program The Thai Institute of Directors Association 	-	-	Aug-09 - 15 Feb 12 2004 - Present 2000 - Present	Independent Director, Audit Committee Member, Compensation Committee Member Director Director	SICCO Securities Plc. Inter Far East Engineering Plc. Yip In Tsoi & Jacks Co., Ltd.
Mr. Nophadol Yingchatchaval <ul style="list-style-type: none"> Independent Director Audit Committee Member Compensation Committee Member 	64	<ul style="list-style-type: none"> M.Sc.(Industrial Engineering), U. of Wisconsin, U.S.A. <u>Training Courses</u> <ul style="list-style-type: none"> Directors Accreditation Program Audit Committee Program The Thai Institute of Directors Association 	-	-	Aug-09 - 15 Feb 12 2005 - Present 2005 - Present 1995 - Present 1991 - Present 1990 - Present	Independent Director, Audit Committee Member, Compensation Committee Member Director and Executive Director Director and Executive Director Managing Director Managing Director Director	SICCO Securities Plc. Thai Industrial & Engineering Service Plc. Phuket International Hospital Co.,Ltd. Megafert Co.,Ltd. Provest Co.,Ltd. Muag Lek Prosper Co.,Ltd.
Mr. Siripong Sutharoj <ul style="list-style-type: none"> Director Executive Director Chief Executive Officer and President 	52	<ul style="list-style-type: none"> MBA (Banking and Finance), North Texas State University, USA <u>Training Courses</u> <ul style="list-style-type: none"> Director Certification Program The Thai Institute of Directors Association NIDA Executive Leadership Program Wharton University of Pennsylvania, USA 	-	-	1999 - Present 2002 - Present 2009 - Feb-11 Jun 11 - Present	Director, Executive Director, Chief Executive Officer and President Director, Executive Director Director Director	SICCO Securities Plc. SICCO Advisory Co.,Ltd. SSEC Asset Management Securities Co., Ltd. Suranaree University of Technology

Name / Present Position	Age	Education	% of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization / Company
Mr. Chakkris Uthayophas <ul style="list-style-type: none"> Director Executive Director Senior Deputy President 	48	<ul style="list-style-type: none"> M.Sc. (Industrial Engineering and Management), The Asian Institute of Technology B.Sc. (Statistics), Chulalongkorn University <u>Training Courses</u> <ul style="list-style-type: none"> Director Certification Program The Thai Institute of Directors Association 	-	-	2006 - Present 2006 - Present 2004 - 2005 2000 - 2004	Director, Executive Director, Senior Deputy President Director, Executive Director Director and CEO Senior Executive Vice President	SICCO Securities Plc. SICCO Advisory Co.,Ltd. SICCO Advisory Co.,Ltd. SICCO Securities Plc.
Mr. Prasitsin Witsawan <ul style="list-style-type: none"> Managing Director Head of Securities Business Group 	54	<ul style="list-style-type: none"> B.Sc. (Accounting), Kasetsart University 	-	-	2002 - Present	Managing Director Head of Securities Business Group	SICCO Securities Plc.
Mrs. Orapim Chalarug <ul style="list-style-type: none"> Senior Deputy Managing Director Head of Corporate Service Group Company Secretary Directors Secretary 	56	<ul style="list-style-type: none"> M.Sc. (Human Resource Management), Sasin Graduate Institute of Business Administration of Chulalongkorn University B.A. (Economics), Chiangmai University <u>Training Courses</u> <ul style="list-style-type: none"> 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 Dejtipprapab <ul style="list-style-type: none"> Senior Deputy Managing Director Head of Operation Group 	57	<ul style="list-style-type: none"> B.B.A. (Accounting), Ramkhamhaeng University 	-	-	Jul-07 - Present 2005 - Jun-07	Senior Deputy Managing Director Head of Operation Group Executive Vice President Securities Business Group 2	SICCO Securities Plc. SICCO Securities Plc.

Name / Present Position	Age	Education	% of total shares*	Management Family Relationship	Experience History 5 Years		
					Period	Position	Organization / Company
Mr. Kant Athatamsuntorn • Senior Deputy Managing Director Head of Business Development and Information Technology Division	39	• M.B.A., Chulalongkorn University • B.Sc., Prince of Songkla University	-	-	Jan-08 - Present Apr-06 - Dec-08	Senior Deputy Managing Director Head of Business Development and Information Technology Division Senior Vice President Information Technology Division	SICCO Securities Plc. SICCO Securities Plc.
Mr. Nakorn Lampavas • Senior Deputy Managing Director Head of Audit & Compliance Group	46	• M.B.A., Dhurakijpundit University • BBA. (Account), Ramkhamhaeng University	-	-	Jul-10 - Present Jul-06 - Jun-10	Senior Deputy Managing Director Head of Audit & Compliance Group Executive Vice President Audit & Compliance Division	SICCO Securities Plc. SICCO Securities Plc.
Mr. Supot Lapchayanon • Senior Deputy Managing Director Head of Retail Business Division 3	50	- M.B.A., Siam University	-	-	Jul-08 - Present Sep-98 - Jun-08	Senior Deputy Managing Director Head of Retail Business Division 3 Senior Vice President Retail Business Division 3	SICCO Securities Plc. SICCO Securities Plc.
Mrs. Amporn Chiammunchit • Deputy Managing Director Head of Accounting and Finance Division	49	• M.S. (Accounting), Thammasat University • B.A., Chulalongkorn University	-	-	Jul-07 - Present Dec-05 - Jun-07	Deputy Managing Director Head of Accounting and Finance Division Senior Vice President Operation Division	SICCO Securities Plc. SICCO Securities Plc.

Note * Including shares of spouse and dependent, Data as of closing book dated November 21, 2011.

15 | Management Structure

Management Structure

As of December 31, 2011, 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, 2011, the Company's Board of Directors consisted of the following members:-

- | | | | |
|----|--------------|----------------|---|
| 1. | Mr. Pises | Sethsathira | 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 Mr. Pises Sethsathira, 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, 2011, 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 been suspended because its status or operation rehabilitation plan was not approved by the relevant governing body of that particular financial institution or by the committee of the Financial Sector Restructuring Authority; or had been ordered to correct its damaged financial status by capital reduction and subsequent capital increase with the assistance of governmental authorities or financial institutions;
9. Has never been, by a final court judgment, convicted of an offence related to unjust practices concerning securities or derivatives trading; or an offence related to any business management that appears to be deceiving, fraudulent, or dishonest; or has been fined on these offences;
10. Bears no reasonable cause to believe that he/she engages or had engaged in malpractice of the duty that requires to be performed with honesty and impartiality to clients in the securities business or other financial service business; or assists or had assisted any other person to do so;
11. Has never been imprisoned by the a court judgment which is final for an offence related to property committed with dishonest intent;
12. Has never been a director, a manager, or a person with power of management of a financial institution that had its license revoked;
13. Has never been a director, a manager, or a person with power of management of any other securities company;

14. Has never been removed from a position of chairman, director or manager in accordance with Section 144 or Section 145 or in accordance with the provisions of other laws;
15. Is not a political official;
16. Is not a government official with responsibility to supervise securities companies, an officer of the Bank of Thailand or of the Office;
17. Is not a manager or a person with power of management of a partnership or a limited company in which he/she or any such person or partnership or limited company as specified in Section 258(1), (2), (3), (4), (5) or (6) is a partner or a shareholder;
18. Is not a government official with responsibility to supervise derivatives business operators or financial institutions;
19. Bears no reasonable cause to believe that he/she engages or had engaged in practices lacking code of conduct or standards, as prescribed by authorities or associations in the securities business, in performing the duty related to securities business; or assists or had assisted any other person to do so;
20. Bears no reasonable cause to believe that he/she engages or had engaged in dishonest or fraudulent practices against other persons; or assists or had assisted any other person to do so;
21. Bears no reasonable cause to believe that he/she engages or had engaged in practices being unjust to or taking advantage of investors; or assists or had assisted any other person to do so;
22. Bears no reasonable cause to believe that he/she engages or had engaged in practices deliberately presenting false information on material matters or concealing material facts that should be stated in any document to be compulsorily disclosed to the public or submitted to the SEC Office or to other authorities governing financial institutions; or assists or had assisted any other person to do so;
23. Bears no reasonable cause to believe that he/she neglects or had neglected to exercise due supervision to prevent any juristic person or company, in which he/she has a power of management, or any operator under his/her supervision (if any) from undertaking or refraining from any action that is in violation of or against the Securities and Exchange Act or its corresponding announcements, and that may cause the instability of the securities business as a whole, or a damage to reputation, status, business operation or customers of that specific business.

- **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, 2011, the Board of Executive Directors consisted of 3 members as follows:-

- | | |
|----------------------------|-------------------------------------|
| 1. Mr. Pises Sethsathira | 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, The scope of authorization, which would be reviewed regularly, 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, 2011, 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:
 - An opinion on the accuracy, completeness and reliability of the Company's financial reports.
 - An opinion on the adequacy of the Company's internal control system.
 - 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.
 - An opinion on the suitability of an auditor.
 - An opinion on the transactions that may constitute conflicts of interest.
 - The number of the Audit Committee meetings held, and the attendance of each Committee member.
 - An opinion or general observation the Audit Committee receives from its discharge of duties in accordance with the Charter.
 - Other items which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
7. To review the Charter of the Audit Committee at least once a year, and report the review result to the Board of Directors.
8. To review and approve the Charter of the internal audit and compliance unit, as well as to revise the said Charter at least once a year.

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

- **Selection of Audit Committee**

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

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

No. of meeting held in 2011 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
Mr. Pises**	Sethsathira	2/4	0/1	-	1/1
Ms. Wanvimol*	Chotipuech	8/8	3/4	-	-
Mr. Yothin	Pibulkasetkij	14/14	-	4/4	1/1
Mr. Apichai	Anukularmphai	14/14	-	4/4	1/1
Mr. Nopadol	Yingchatchaval	14/14	-	4/4	1/1
Mr. Siripong	Sutharoj	13/14	6/6	-	-
Mr. Chakkris	Uthayophas	12/14	6/6	-	-

* Ms. Wanvimol Chotipuech resigned in September 16, 2011

**Mr. Pises Sethsathire appointed as Chairman in October 7, 2011

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, 2011, the Compensation Committee consisted of 4 members as follows:-

1.	Mr. Pises	Sethsathira	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, 2011, the Risk Monitoring Committee consisted of:-

1.	Mr. Siripong	Sutharoj	Chairman
2.	Mr. Chakkris	Uthayophas	Member
3.	Mr. Prasitsin	Witsawanan	Member
4.	Ms. Chutima	Dejtiprapab	Member
5.	Mrs. Orapim	Chalarug	Member
6.	Mr. Saravut	Tachochavalit	Member
7.	Mrs. Amporn	Chiammunchit	Member
8.	Mr. Kant	Athatamsuntorn	Member
9.	Mr. Nakorn	Lampavas	Member
10.	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/Private Investment), and Chiefs of business support units.

4.3 The Credit Committee

As of December 31, 2011, the Credit Committee consisted of:-

1. Mr. Siripong Sutharoj Chairman
2. Mr. Chakkris Uthayophas Member
3. Mr. Prasitsin Witsawanan Member

With Mr. Kusol Peinmuk Secretary Head of Risk Management Division, as the 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, 2011, 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, 2011, the Underwriting Committee consisted of:-

1. Mr. Siripong Sutharoj Chairman
2. Mr. Chakkris Uthayophas Member
3. Mr. Prasitsin Witsawanan Member

With Mr. Kant Athatamsuntorn, Senior Deputy Managing Director – Head of Business Development and Information Technology Group, 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 Managing Director, and the first four directors next to the Managing Director, including the Vice President of Accounting and Finance Division. As of December 31, 2011, 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 Witsawanan | Managing Director – Head of Securities Business Group |
| 4. | Ms. Chutima Dejtipprapab | Senior Deputy Managing Director – Head of Operation Group |
| 5. | Mrs. Orapim Chalarug | Senior Deputy Managing Director – Head of Corporate Service Group |
| 6. | Mr. Kant Athatamsuntorn | Senior Deputy Managing Director – Head of Business Development and Information Technology Group |
| 7. | Mr. Nakorn Lampavas | Senior Deputy Managing Director – Head of Audit & Compliance Group |
| 8. | Mr. Supot Lapchayanon | Senior Deputy Managing Director – Head of Retail Business Division 3 |
| 9. | 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 of the year 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 the year 2004 on March 25, 2004, which would be continuously effective until otherwise declared as invalidated or further change. Details on the meeting allowances were as follows:-

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

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

- **Executives**

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

At the end of December 31, 2011, the Company had paid remuneration to Directors and Executives as follows:-

Position	Type of Compensation	2011		2010	
		No. of Persons	Amount (Baht)	No. of Persons	Amount (Baht)
Directors	Director Fee	6	15,15,000.00	7	1,740,000.00
Directors	Bonus	6	191,164.50*	7	191,164.47*
Audit Committee	Director Fee	3	600,000.00	3	600,000.00
Compensation Committee	Director Fee	3	30,000.00	4	45,000.00
Executives	Salary	10	22,433,944.67	11	23,780,910.00
Executives	Bonus	9	5,442,113.00	10	5,372,304.00

* From the previous year performance

Directors' remuneration in 2011 Classified by Individual

Director's Name		Meeting Allowance (Baht)			Total (Baht)
		Director	Audit Committee	Compensation Committee	
Ms.Wanvimol*	Chotipuech	315,000	-	-	315,000
Mr. Pises**	Sethsathira	-	-	-	-
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
Mr. Chakkris	Uthayophas	240,000	-	-	240,000
Total		1,515,000	600,000	30,000	2,145,000

* Ms.Wanvimol Chotipuech resigned in September 16, 2011

** Mr.Pises Sethsathira appointed as Chairman in October 7, 2011

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.

	2011		2010	
	Number of Persons	Amount(Baht)	Number of Persons	Amount(Baht)
Executives	9	1,845,257.94	11	2,257,998.95

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

In 2011, 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	-	-
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. has registered the dissolution with the Ministry of Commerce on February 11, 2011.

* Ms.Wanvimol Chotipuech resigned in the dissolution September 16, 2011

16 | Internal Control System

In 2011, the Board of Directors assessed the Company's internal control system, based on the presentation by the Audit Committee along with Management interview, and regarded the Company's internal control system as adequate and suitable for business operations. The Company had fully complied with all the 5 frameworks under The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of the Internal Auditing, namely organizational environment, risk management, management control, information and communication systems, and monitoring system.

The Company had also set appropriate criteria for risk assessment. The impact and likelihood of adverse events as well as quality of risk management were assessed in order to determine degree of risk possibility. By this, auditing and risk management processes could be arranged systematically, so as to reduce the likelihood and impact of an adverse event and to adopt an efficient and appropriate internal control measure thereto. As a result, the Company's goals could be achieved efficiently and effectively.

17 | Corporate Governance

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 2011, the Company followed the principle of good corporate governance in sections as follows:

Section 1: Rights of Shareholders

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

In 2011, the Company encouraged the shareholders to exercise their rights, especially at the two general shareholder meetings in the previous year, 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, 2011 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, names and profiles of all the three independent directors proposed as optional proxy for shareholders, proxy procedure, clarifications about requisite documents to be presented prior to attending the meeting, and the map of Swissotel Nai Lert Park Hotel, where the meetings took place. All of the aforementioned documents were dispatched to the shareholders as well as posted on the Company's website for more than 14 days prior to the date of meeting.

At the 2011 Annual General Shareholder Meeting on April 27, 2011 and the 1/2011 Extraordinary Shareholder Meeting on November 14, 2011; 6 directors along with the executives, the external 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 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 questions about their unclear issues; the Chairman, the Board of Directors, and the related parties had answered and clarified those queries to shareholders' satisfaction. Apart from that, the Board of Directors also informally conversed with the shareholders before and after the meeting, in order to obtain their suggestions and exchange opinions with one another.

The Company submitted minutes of the shareholder meetings, which included important details, the vote results, as well as the queries made on each agenda items, to the SET within 14 days after the meeting date. These minutes were also posted on the Company's website.

Section 2: Equitable Treatment of Shareholders

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

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

- The directors, the executives, including their spouse and minor children, are prohibited to use inside information for buying, selling, transferring or receiving transfer of the Company's securities prior to disclosure of such information to the public, especially within one month prior to public disclosure of the Company's financial statements. In addition, after the information was disclosed, the above-mentioned parties should refrain from buying or selling the Company's securities until the informed public has sufficient time to evaluate it (3 days after the disclosing date).
- The directors and the executives are required to report their securities holdings in the Company according to the notification of the Office of the Securities and Exchange Commission No. Sor-Jor 14/1997 on Preparation and Disclosure of Securities Holding Reports, and to the Penalty Provisions of the Securities and Exchange Act B.E.2535. They are required to submit their first securities holding report (Form 59-1) within 30 days after closing date of offering or being appointed. In addition, they are required to report to the Office of the Securities and Exchange Commission any changes in their securities holdings as a result of the buying, selling, transferring, or receiving transfer of securities (Form 59-2), except upon acquisition of ordinary shares or preferred shares via right offering, shares from exercising of convertible securities, and shares receiving through inheritance, within 3 working days after the transaction date.
- 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.

At its 2011 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, 2011 to February 2, 2011, or for over 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 at the two shareholder meetings, and had their profiles attached to the invitation letters.

In 2011, 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 2011, 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' 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 facilitates employees' happiness in working, pleasant workplace, affection and unity among colleagues according to the Happy 8 Workplace guidelines of Thai Health Promotion Foundation (ThaiHealth). Healthiness-promoting activities have been arranged, e.g. medical checkup, workout club, health insurance along with life and personal accident insurance for employees. There is also housing loan program provided in conjunction with other financial institutions. To promote ethics and morality, the Virtuous Cycle Club has been founded, and employees are allowed to take leave for dharma practice for 5 business days without being regarded as absent from duty.
- 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 about on-the-job and off-the-job safety, in order to prevent and mitigate accidents, illnesses, troubles or dangers in working.
- The Company plans ahead for employee training courses throughout the year, so as to enhance employees' business comprehension, to develop working skills, to instill into them the qualifications that conform to corporate culture, and to increase employees' competitive capacity.
- The Company offers remuneration rate appropriate to individual knowledge, competence, responsibility and performance, and also provides its employees adequate benefits consistent with legal provisions and economic situation.

The Company and its employees had jointly registered the incorporation of a provident fund in pursuance of the Provident Fund Act B.E.2530, under the name "The Registered SICCO Securities Public Company Limited and Affiliates Provident Fund." To guarantee employees the 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 2011, the Company held 30 in-house and external courses and seminars on personnel development. It also joined Broker Cup Football 2011 and Broker Badminton Championship to establish a good working relationship between its employees and officials of securities business regulatory bodies.

While the great flooding hit Thailand during October to November 2011, the Company issued an emergency measure to provided flood-affected employees with such reliefs as temporary shelter, basic necessities, and financial aid. Besides, employees unable to go to work were allowed to be off work without being regarded as taking leave. Further helps were offered in the form of home cleaning and soft loan program for house repairs

In 2011, the Company carried out various social and environmental activities as follows:-

1. "SSEC Pay-Happiness-Forward" Project, where employees and their families hosted a party full of love and joy for the elderly at Banglamung Home for the Elderly, Chonburi province.
2. "SSEC Paints the Dream" Project, where employees and families jointly extended educational opportunities and school refurbishment to students of Ban Pu-namron School (Rotary 1 School), Ratchaburi province. Activities included painting school building, presenting educational supplies and giving donations for the continual development of the school.
3. Project to lend the flood victims a helping hand, by donating money and essential stuff to Thai Red Cross as well as making a monetary donation to the Stock Market Flood Relief Fund, formed by the Stock Exchange of Thailand and securities business organizations to offer aids and rehabilitation to victims in the flood-hit areas.

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 2011, 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 2011 Annual Report and 2011 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 2011 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, 2011, the Board consisted of 6 directors, divided into:

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

Mr. Pises Sethsathira	Chairman of the Board of Directors
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- Independent directors who also formed the Audit Committee: 3 persons, namely:

Mr. Yothin Pibulkasetkij	Audit Committee Chairman
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Mr. Apichai Anukularmphai	Audit Committee Member
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Mr. Nopadol Yingchatchaval	Audit Committee Member
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- Executive directors: 2 persons, namely:

Mr. Siripong Sutharoj	Chief Executive Officer and President
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Mr. Chakkris Uthayophas	Senior Deputy President
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With Mrs. Orapim Chalarug, Executive Vice President of Corporate Service Group, as the Company Secretary.

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

- **Standing Committees**

The Company's Board of Directors has appointed various sub-committees to examine in details and to scrutinize matters necessary to business undertaking, i.e. Audit Committee, Compensation Committee, 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.

- **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 2011, 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 2011, the Board of Directors had held 6 regular meetings; and 8 extra meetings; the Executive Committee 6 regular; and the Audit Committee 4 regular. 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 2011".

- **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 2011, 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, professionalism 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 2011, the Board of Directors reviewed the Company's operation with none of violation to the laws and regulations.

18 Related Party Transactions

A. Related Transactions

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 As of 31 Dec 11	Transaction value (Baht) As of 31 Dec		Pricing Policy
		2011	2010	

1. Siam Industrial Credit Public Company Limited (SICCO)

Deposit	The major shareholder which holds 70.06%	64,000,000	105,000,000	According to Treasury's interest rates announcement for Institutional Clients.
Interest income		680,545	572,233	
Brokerage fees income		145,861	252,412	Market Price
Dividend payment		13,393,736	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., Mr.Siripong Sutharoj, Mr.Chakkris Uthayophas	354,832	369,207	Contract price
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3. SSEC Asset Management Securities Company Limited (SSECAM)

Service income	The Subsidiary (Registered the dissolution with the Ministry of Commerce on February 11, 2011.)	-	32,887	Contract price
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4. Siam Commercial Bank Public Company Limited (SCB)

Short-term deposit	The major shareholders in the parent company, SICCO., with 99.55% of shareholding.	15,639,110	15,495,683	No interest according to bank's policy not to pay interest on securities company's saving account or fix term-deposit account
Long-term deposit		930,900	1,000,000	
Interest Receivable		119,305	25,324	

Relationship	Type of transaction As of 31 Dec 11	Transaction value (Baht) As of 31 Dec		Pricing Policy
		2011	2010	

5. Siam Commercial Samaggi Insurance Public Company Limited (SCSGM)

Insurance expenses	The related company, SCB is a major shareholders which holds 99.55% of shares of parent company, SICCO and holds 58.86% of shares of SCSMG	3,226,280	706,326	Market price
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6. SCB Assets Management Company Limited (SCBAM)

Fee income	SCB is a major shareholder in SICCO, the parent company, with 99.55% shareholding, and holds 99.00% of shares of SCBAM	1,037,093	792,179	Market price
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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	Market price
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8. Directors and Managements

Brokerage fee on securities trading	Directors and Managements	50,122	295,433	0.10-0.25% of trading volume on Easy Wealth
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9. Director

Director's special remunerations	Directors	191,164	191,164	1% of dividend paid
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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

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.

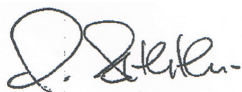
E. In case of conflict among individual shareholders in the subsidiary company or joint company of more than 5%

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.

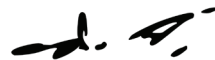
19 | Statement of the Board of Directors' Responsibilities

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.



(Mr. Pises Sethsathira)
Chairman



(Mr. Siripong Sutharaj)
Chief Executive Officer and President

20 | Financial Statements

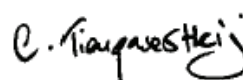
REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS SICCO SECURITIES PUBLIC COMPANY LIMITED

We have audited the consolidated statements of financial position of SICCO Securities Public Company Limited and its subsidiaries and the separate statements of financial position of SICCO Securities Public Company Limited as at December 31, 2011 and 2010, and the related consolidated and separate statements of comprehensive income, changes in owners' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the 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 its subsidiaries and of SICCO Securities Public Company Limited as at December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualifying our opinion, as discussed in Notes 2.1 and 3 to the financial statements, since January 1, 2011, the Company and its subsidiary have adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions and presented the financial statements in accordance with the Notification of the Office of the Securities and Exchange Commission No. SorTor/Kor/Nor. 53/2553 dated December 15, 2010 regarding "The Form of Financial Statements for Securities Companies", which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of this financial statements. The consolidated and separate financial statements for year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the consolidated and separate financial statements for the year ended December 31, 2011.



Chavala Tienpasertkij

BANGKOK
February 14, 2012

Certified Public Accountant (Thailand) Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL	STATEMENTS	FINANCIAL	STATEMENTS
	Notes	2011	2010	2011	2010
ASSETS					
Cash and cash equivalents	6.1	185,090,271	215,816,052	184,495,121	192,657,820
Deposits at financial institutions	6.2	2,553,868	2,615,840	2,553,868	2,615,840
Receivables from Clearing House	6.3	24,573,497	16,928	24,573,497	16,928
Securities business receivables and derivatives business receivables - net	6.4	769,387,528	836,190,901	769,387,528	836,190,901
Investments - net	6.6	178,386,098	245,412,527	164,973,002	244,923,777
Investments in subsidiaries - net	6.7	-	-	13,693,032	18,340,074
Leasehold improvements and equipment - net	6.8	34,007,251	32,820,735	33,774,723	32,514,932
Intangible assets - net	6.9	13,157,361	15,986,954	13,116,310	15,919,378
Other assets	6.10	51,838,302	51,604,435	51,139,918	53,385,374
TOTAL ASSETS		1,258,994,176	1,400,464,372	1,257,706,999	1,396,565,024

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2011 AND 2010

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Payable to Clearing House		47,189,056	90,689,338	47,189,056	90,689,338
Securities and derivatives					
business payables - net		202,838,467	295,057,428	202,838,467	295,057,428
Provisions for post - employment benefits	6.11	9,471,391	6,741,464	9,188,357	5,931,280
Accrued commission to employees		20,123,126	29,529,990	19,526,222	28,769,308
Corporate income tax payable		6,139,392	17,012,999	6,139,392	17,012,999
Other liabilities	6.12	26,178,874	28,936,911	25,771,635	28,514,610
TOTAL LIABILITIES		311,940,306	467,968,130	310,653,129	465,974,963
OWNERS' 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
Additional paid-in capital		221,435,041	221,435,041	221,435,041	221,435,041
Retained earnings					
Appropriated					
Legal reserve	6.13.1	22,744,567	21,223,409	22,744,567	20,965,554
Unappropriated		65,659,232	50,716,583	65,659,232	50,974,436
OWNERS OF THE PARENT		947,053,870	930,590,063	947,053,870	930,590,061
NON-CONTROLLING INTERESTS		-	1,906,179	-	-
TOTAL OWNERS' EQUITY		947,053,870	932,496,242	947,053,870	930,590,061
TOTAL LIABILITIES AND OWNERS' EQUITY		1,258,994,176	1,400,464,372	1,257,706,999	1,396,565,024

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2011	2010	2011	2010
INCOME					
Brokerage fees	6.14	334,375,222	361,730,485	334,375,222	361,730,485
Fees and services income	6.15	7,740,000	6,070,000	-	-
Gain on securities	6.6.2	6,351,824	1,323,496	6,219,486	1,323,496
Loss on derivatives		(60,380)	(5,871)	(60,380)	(5,871)
Interest and dividend	6.6.3	9,514,911	6,343,017	9,256,932	6,113,173
Interest on margin loans		35,104,248	31,180,701	35,104,248	31,180,702
Other income		1,005,569	478,731	1,300,625	847,938
Total income		394,031,394	407,120,559	386,196,133	401,189,923
EXPENSES					
Financial costs		5,173,380	2,827,372	5,173,380	2,827,372
Fee and service expenses		29,543,264	30,385,916	29,516,637	29,661,775
Operating expenses					
Personnel expenses		209,437,480	219,366,881	200,282,876	211,642,058
Premises and equipment expenses		76,300,035	77,405,170	75,465,843	75,983,576
Directors' remuneration	8	2,456,165	2,696,164	2,456,165	2,696,164
Other expenses		26,640,784	29,100,262	26,106,088	27,343,455
Reversal of bad debt and doubtful accounts		(5,231,178)	(9,779,447)	(5,231,178)	(9,779,447)
Impairment loss from securities	6.16	-	-	2,689,476	4,967,269
Total expenses		344,319,930	352,002,318	336,459,287	345,342,222
INCOME BEFORE INCOME TAX EXPENSES		49,711,464	55,118,241	49,736,846	55,847,701
INCOME TAX EXPENSES	9	(14,156,586)	(17,812,347)	(14,156,586)	(17,812,347)
NET PROFIT		35,554,878	37,305,894	35,580,260	38,035,354
OTHER COMPREHENSIVE INCOME (LOSS)		-	-	-	-
TOTAL COMPREHENSIVE INCOME		35,554,878	37,305,894	35,580,260	38,035,354

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL	STATEMENTS	FINANCIAL	STATEMENTS
		2011	2010	2011	2010
Notes					
NET PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent		35,580,258	38,577,359	35,580,260	38,035,354
Non-controlling interests		(25,380)	(1,271,465)	-	-
EARNINGS PER SHARE					
Basic earnings per share	Baht	0.056	0.061	0.056	0.060
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 OWNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

Notes

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN OWNERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

UNIT : BAHT

		SEPARATE FINANCIAL STATEMENTS				
		Issued and paid-up share capital	Additional paid-in capital	Retained earnings Appropriated Legal reserve	Unappropri- ated	Total
	Notes					
Beginning balance as at January 1, 2010		637,215,030	221,435,041	19,063,786	33,957,301	911,671,158
Changes in the year						
Dividend paid	6.13.2	-	-	-	(19,116,451)	(19,116,451)
Appropriation of retained earnings		-	-	1,901,768	(1,901,768)	-
Total comprehensive income		-	-	-	38,035,354	38,035,354
Ending balance as at December 31, 2010		637,215,030	221,435,041	20,965,554	50,974,436	930,590,061
Beginning balance as at January 1, 2011		637,215,030	221,435,041	20,965,554	50,974,436	930,590,061
Changes in the year						
Dividend paid	6.13.2	-	-	-	(19,116,451)	(19,116,451)
Appropriation of retained earnings		-	-	1,779,013	(1,779,013)	-
Total comprehensive income		-	-	-	35,580,260	35,580,260
Ending balance as at December 31, 2011		637,215,030	221,435,041	22,744,567	65,659,232	947,053,870

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL	STATEMENTS	FINANCIAL	STATEMENTS
Note	2011	2010	2011	2010
Cash flows from operating activities				
Income before income tax	49,711,464	55,118,241	49,736,846	55,847,701
Adjustments				
Depreciation and amortization	15,526,304	16,394,730	15,374,178	15,600,464
Reversal of bad debt and doubtful accounts	(5,231,178)	(9,779,447)	(5,231,178)	(9,779,447)
(Gain) loss from change in fair value of investment	(3,403,629)	91,850	(3,290,497)	91,850
Allowance for impairment of investment in subsidiaries	-	-	2,689,476	4,967,269
(Reversal) loss on impairment of equipment and intangible assets	(656,776)	2,078,555	(598,936)	672,000
(Gain) loss on disposal of equipment	(402,734)	448,967	(402,734)	448,967
Financial costs	5,173,380	2,827,372	5,173,380	2,827,372
Interest and dividend income	(44,619,159)	(37,523,718)	(44,361,180)	(37,293,875)
Cash received from interest and dividend	44,578,007	36,356,031	44,301,024	36,125,098
Cash paid for interest expenses	(4,843,933)	(2,820,922)	(4,843,933)	(2,820,922)
Cash paid for corporate income tax	(25,229,572)	(4,271,345)	(24,996,796)	(4,060,154)
Income from operating activities before changes in operating assets and liabilities	30,602,174	58,920,314	33,549,650	62,626,323
Decrease (increase) in operating assets				
Deposits at financial institutions	61,972	15,840	61,972	15,840
Investments - net	70,430,058	(66,987,999)	83,241,272	(66,987,999)
Receivables from Clearing House	(24,556,569)	16,120,140	(24,556,569)	16,120,140
Securities business receivables and derivatives business receivables - net	72,034,551	(137,753,780)	72,034,551	(137,753,780)
Other assets	40,061	10,920,490	2,305,612	8,332,517

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

SICCO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2011	2010	2011	2010
Cash flows from operating activities (continued)					
Increase (decrease) in operating liabilities					
Payable to Clearing House		(43,500,282)	71,788,708	(43,500,282)	71,788,708
Securities and derivatives business payables - net		(92,218,961)	51,485,353	(92,218,961)	51,485,353
Provisions for post-employment benefits		2,729,927	4,420,464	3,257,077	3,619,280
Other liabilities		(12,377,993)	21,037,703	(12,199,154)	20,089,797
Cash used in operations		(27,357,236)	(28,953,081)	(11,574,482)	(33,290,144)
Net cash flows provided by operating activities		3,244,938	29,967,233	21,975,168	29,336,179
Cash flows from investing activities					
Cash received from liquidation of subsidiary		-	-	1,957,566	-
Increase in intangible assets		(1,427,550)	(4,020,353)	(1,397,999)	(4,020,353)
Cash paid for purchases of equipment		(12,359,998)	(8,032,277)	(12,337,222)	(7,982,628)
Cash received from sales of equipment		814,079	1,882,748	756,239	1,882,748
Net cash flows used in investing activities		(12,973,469)	(10,169,882)	(11,021,416)	(10,120,233)
Cash flows from financing activities					
Dividend paid		(19,116,451)	(19,116,451)	(19,116,451)	(19,116,451)
Cash paid for non - controlling interest from liquidation of subsidiary		(1,880,799)	-	-	-
Net cash flows used in financing activities		(20,997,250)	(19,116,451)	(19,116,451)	(19,116,451)
Net increase (decrease) in cash and cash equivalents		(30,725,781)	680,900	(8,162,699)	99,495
Cash and cash equivalents as at January 1,		215,816,052	215,135,152	192,657,820	192,558,325
Cash and cash equivalents as at December 31,	6.1	185,090,271	215,816,052	184,495,121	192,657,820
Supplementary cash flow information:					
Non-cash transactions:					
Equipment payables		407,520	557,271	407,520	557,271

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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 ("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, 2011 and 2010, the Company has 13 branches.

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

On September 27, 2011, The Siam Commercial Bank Public Company Limited ("Offeror") has submitted the tender offer to purchase all securities of the Company in accordance with the Chain Principle requirement since the Offeror's shareholding percentage in The Siam Industrial Credit Public Company Limited ("parent company") increases to more than 50% of the total voting right, which make the Offeror has acquired a significant degree of control in the company which has an existing shareholding in business, the Offeror is required to make the tender offer all shares of the Company. The offer price is Baht 1.46 per share with tender offer period is 25 working days.

On September 29, 2011, the Company has been informed by the parent company that it had entered into the Definitive Share Sale and Purchase Agreement with a foreign securities company on September 29, 2011 to sell its entire stake of 446,457,860 shares in the Company, representing approximately 70.06% of the total issued shares of the Company to the foreign securities company at Baht 1.72 per share. However, the transfer of the Sale Shares and the payment of the purchase price shall take place upon the completion of all conditions precedent as specified in the Definitive Share Sale and Purchase Agreement, including, among others, the following conditions:

- (a) all necessary approvals from the relevant authorities, for example, the Securities and Exchange Commission, the Ministry of Commerce shall have been obtained;
- (b) the parent company shall have received an approval from its shareholders' meeting for the sale of the Sale Shares;
- (c) the Company shall have received an approval from its shareholders' meeting for the amendment of its articles of association on the removal of the restriction on foreign shareholding.

Subsequently, on November 14, 2011, the Extraordinary General Meeting of the Shareholders No. 1/2011 has passed a resolutions amend the Company's articles of association on the restriction on foreign shareholding which allowed the share to be transferred without restriction. The Company has registered the amendment with the Ministry of Commerce on November 23, 2011.

On October 11, 2011, the Offeror has resubmitted the revised tender offer after the Offeror has been informed by The Siam Industrial Credit Public Company Limited regarding the purchase and sale agreement of all securities of the Company to the foreign securities company. In which the Offeror has extent the tender offer period from 25 working days to 45 working days. On November 30, 2011, The Siam Commercial Bank Public Company Limited has informed result to the Office of the Securities and Exchange Commission that it has been purchased the offer securities total 101,057 shares or approximately 0.02 percent of the total issued and paid up shares and voting rights of the Company.

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 August 30, 2010, the Board of Directors' meeting of the SSEC Asset Management Securities Company Limited ("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. On October 22, 2010, the Extraordinary Shareholders' Meeting of the subsidiary has endorsed to return its license. Subsequently, 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. 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 and registered the liquidation with the Ministry of Commerce on April 29, 2011.

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. SorTor/Kor/Nor. 53/2553 dated December 15, 2010 regarding “The Form of Financial Statements for Securities Companies”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards. Therefore, the consolidated and separate financial statements for the year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the consolidated and separate financial statements for the year ended December 31, 2011.

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

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 Ministry of Finance has approved the subsidiary to dissolve its business. 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 and registered the liquidation with the Ministry of Commerce on April 29, 2011 (see Note 1). However, the Company have not been separately presented the results from discontinued operations since such effects will have no material impact on the consolidated financial statements of the Company.

- 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. TAS which are related to the Company is TAS 12 “Income Taxes”, which will be effective on January 1, 2013.

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 The 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 statements of financial position		Percentage of total income of subsidiaries included in consolidated statements of comprehensive income for the years ended	
	As at December 31		As at December 31		December 31,	
	2011 %	2010 %	2011 %	2010 %	2011 %	2010 %
SICCO Advisory Company Limited	99.99	99.99	1.19	1.46	2.06	1.55
SSEC Asset Management Securities Company Limited*	-	51.00	-	0.28	-	-

* SSEC Asset Management Securities Company Limited has registered the liquidation with the Ministry of Commerce on April 29, 2011.

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

2.4 Reclassifications

The consolidated and separate statements of financial position as at December 31, 2010 and the consolidated and separate statement of comprehensive income for the year ended December 31, 2010 has reclassified items to conform to the classification used in the consolidated and separate financial statements for the year ended December 31, 2011 as follows:

Leasehold right in the consolidated and separate statements of financial position as at December 31, 2010 amount Baht 14.88 million, which was previously presented as part of intangible assets to be presented as part of other assets.

Clearing Fund in the consolidated and separate statements of financial position as at December 31, 2010 amount Baht 20.66 million, which was previously separately presented in the statements of financial position to be presented as part of other current assets.

Deposits in the consolidated and separate statements of financial position as at December 31, 2010 amount Baht 12.02 million, which was previously separately presented in the statements of financial position to be presented as part of other current assets.

Other receivable - subsidiary in the consolidated statement of financial position as at December 31, 2010 amount Baht 2.22 million, which was previously presented as part of other assets have been eliminated against other liabilities in the consolidated statement of financial position amount Baht 2.22 million.

Brokerage fee from wealth management in the consolidated and separate statements of comprehensive income for the year ended December 31, 2010 amount Baht 8.96 million, which was previously presented as part of fees and service income to be presented as part of brokerage fee.

Loss on disposal of fixed assets in the consolidated and separate statements of comprehensive income for the year ended December 31, 2010 amount Baht 0.45 million, which was previously separately presented in the statements of financial position to be present as part of other expenses.

Managements' remuneration in the consolidated and separate statements of comprehensive income for the year ended December 31, 2010 of Baht 35.17 million and Baht 29.99 million, respectively, which were previously presented as a part of Directors and managements' remuneration to be inclusively presented as personnel expenses.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2011, the Company and its subsidiary company have adopted the new and revised Thai Financial Reporting Standards ("TFRS") issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of financial statements. Such TFRS have no significant impact to the Company and its subsidiary company's financial statements except for TAS 1 (Revised 2009) "Presentation of Financial Statements" changed requirements about the presentation in the financial statements. Therefore, it is affected the reclassification in the consolidated and separate financial statements for the year ended December 31, 2010, presented for comparison (see Note 2.1).

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 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 institution loans
- 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.

Gain (loss) on trading in securities and derivatives

Gain (loss) 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.

4.2 Interest on borrowing

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

4.3 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 statement of financial position date, the Company writes these amounts off from both assets and liabilities and presents only assets which belong to the Company.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with original maturity not more than 3 months 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.

4.5 Deposits at financial institutions

Deposits at financial institutions represent fixed deposit accounts, promissory notes with remaining maturities over 3 months.

4.6 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 comprehensive 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 in other components of owners' equity through other comprehensive income until securities are sold, then, the gains or losses on disposal of investments will be recognized as gains (losses) on investments.

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 the statement of comprehensive income 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.

4.7 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).

4.8 Receivable or payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities and derivatives trading each day through Thailand Clearing House are presented as net balance receivable or payable from/to Clearing House including cash paid as collateral at the Clearing House for derivatives business.

4.9 Securities business receivables and derivatives business receivables and allowance for doubtful accounts

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

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

Allowance for doubtful accounts

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

- a) Assets classified as loss are to satisfy the following criteria:
 1. Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law.
 2. Loan balances which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralized 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).

4.10 Troubled debt restructuring

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

4.11 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

4.12 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.

4.13 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.

4.14 Impairment of assets

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

4.15 Long-term lease

Operating lease

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

4.16 Securities and derivatives business payables

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

4.17 Financial Instruments

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

Financial instruments carried in the statement of financial position include cash and cash equivalents, deposits at financial institutions, investments, investment in subsidiaries, receivables from Clearing House, securities business receivables and derivative business receivables, 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.

4.18 Employee benefit

4.18.1 Provident fund

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

4.18.2 Post-employment benefits obligation

The Company and subsidiary provide for post-employment benefits obligation, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. Actuarial gains or losses will be recognized in the consolidated and separate statements of comprehensive 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 comprehensive 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 comprehensive income on a straight-line method over 5 years (see Note 6.11).

4.19 Provision for liabilities

The Company recognizes provision for 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.

4.20 Income tax

Income tax expense is based on tax paid and accrued for the current year.

4.21 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.

4.22 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 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 instruments

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.

5. RISKS MANAGEMENT

5.1 Interest rate risk

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

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS								Interest rate (%)	
	As at December 31, 2011									
	Outstanding balances of net financial instruments									
	Repricing or maturity dates									
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non- performing Receivables	No interest	Total	Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	0.7	141.5	-	-	-	-	42.9	185.1	0.75	2.25
Deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	1.45 - 2.85
Receivable from Clearing House	-	-	-	-	-	-	24.6	24.6	-	-
Securities business receivables and derivatives business receivables	-	526.0	-	-	-	70.1	243.4	839.5	-	7.50
Investments - net	-	-	-	-	-	-	178.4	178.4	-	-
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	47.2	47.2	-	-
Securities and derivatives business payables - net	-	-	-	-	-	-	202.8	202.8	-	-

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS								Interest rate (%)		
	As at December 31, 2010										
	Outstanding balances of net financial instruments										
	Repricing or maturity dates										
	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	
Deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.00 - 2.50	
Securities business receivables and derivatives business receivables	-	516.8	-	-	-	76.4	319.4	912.6	-	7.00	
Investments - net	-	-	-	-	-	-	245.4	245.4	-	-	
Financial liabilities											
Payable to Clearing House	-	-	-	-	-	-	90.7	90.7	-	-	
Securities and derivatives business payables - net	-	-	-	-	-	-	295.1	295.1	-	-	

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS								Interest rate (%)	
	As at December 31, 2011									
	Outstanding balances of net financial instruments									
	Repricing or maturity dates									
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non- performing Receivables	No interest	Total	Float- ing rate	Fixed rate
Financial assets										
Cash and cash equivalents	0.1	141.5	-	-	-	-	42.9	184.5	0.75	2.25
Deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	1.45 - 2.85
Receivable from Clearing House	-	-	-	-	-	-	24.6	24.6	-	-
Securities business receivables and derivatives business receivables	-	526.0	-	-	-	70.1	243.4	839.5	-	7.50
Investment - net	-	-	-	-	-	-	165.0	165.0	-	-
Investments in subsidiaries - net	-	-	-	-	-	-	13.7	13.7	-	-
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	47.2	47.2	-	-
Securities and derivatives business payables - net	-	-	-	-	-	-	202.8	202.8	-	-

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS								Interest rate (%)		
	As at December 31, 2010										
	Outstanding balances of net financial instruments										
	Repricing or maturity dates										
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non-per- forming 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	
Deposits at financial institutions	-	-	-	2.6	-	-	-	2.6	-	2.00 - 2.50	
Securities business receivables and derivatives business receivables	-	516.8	-	-	-	76.4	319.4	912.6	-	7.00	
Investment – net	-	-	-	-	-	-	244.9	244.9	-	-	
Investments in subsidiaries - net	-	-	-	-	-	-	18.3	18.3	-	-	

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS								Interest rate (%)	
	As at December 31, 2010									
	Outstanding balances of net financial instruments									
	Repricing or maturity dates									
	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non-per- forming Receivables	No interest	Total	Floating rate	Fixed rate
Financial liabilities										
Payable to Clearing House	-	-	-	-	-	-	90.7	90.7	-	-
Securities and derivatives										
business payables - net	-	-	-	-	-	-	295.1	295.1	-	-

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

Financial Instruments	CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2011		
	Average balance	Interest income/ expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	175,920,887	4,090,492*	2.33
Deposit at financial institutions	2,580,122	39,801	1.54
Securities business receivables and derivatives business receivables	886,580,363	35,104,248	3.96
Investment - net	193,981,092	-	-

Unit : Baht

Financial Instruments	CONSOLIDATED FINANCIAL STATEMENTS		
	As at December 31, 2010		
	Average balance	Interest income/ expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	186,599,035	2,579,697*	1.38
Deposit at financial institutions	2,603,960	28,500	1.09
Securities business receivables and derivatives business receivables	896,159,104	31,180,702	3.48
Investment - net	162,362,387	-	-

Unit : Baht

SEPERATE FINANCIAL STATEMENTS As at December 31, 2011			
Financial Instruments	Average balance	Interest income/ expenses	Average Yield (%)
Financial assets			
Cash and cash equivalents	163,658,586	3,832,513*	2.34
Deposit at financial institutions	2,580,122	39,801	1.54
Securities business receivables and derivatives business receivables	886,580,363	35,104,248	3.96
Investment - net	187,901,659	-	-

Unit : Baht

SEPERATE 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	2,349,854*	1.43
Deposit at financial institutions	2,603,960	28,500	1.09
Securities business receivables and derivatives business receivables	896,159,104	31,180,702	3.48
Investment - net	161,873,637	-	-

* Interest income from cash and cash equivalents were presented net of interest expenses for securities business and derivative business regarding the deposit from the customers.

5.2 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 statement of financial position.

5.3 Liquidity risk

The periods of time from the statements of financial position date to the maturity dates of financial instruments as of December 31, 2011 and 2010 are as follows:

Unit : Million Baht

		CONSOLIDATED FINANCIAL STATEMENTS						
		As at December 31, 2011						
		Outstanding balances of net financial instruments						
		At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non Performing receivables	Total
Financial assets								
Cash and cash equivalents		185.1	-	-	-	-	-	185.1
Deposits at financial institutions		-	-	2.6	-	-	-	2.6
Receivable from Clearing House		-	24.6	-	-	-	-	24.6
Securities business receivables and derivatives business receivables		526.0	243.4	-	-	-	70.1	839.5
Investment - net		-	170.1	-	-	8.3	-	178.4
Financial liabilities								
Payable to Clearing House		-	47.2	-	-	-	-	47.2
Securities and derivatives business payables - net		-	202.8	-	-	-	-	202.8

Unit : Million Baht

		CONSOLIDATED FINANCIAL STATEMENTS						
		As at December 31, 2010						
		Outstanding balances of net financial instruments						
		At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non Performing receivables	Total
Financial assets								
Cash and cash equivalents		201.7	14.1	-	-	-	-	215.8
Deposits at financial institutions		-	-	2.6	-	-	-	2.6
Securities business receivables and derivative business receivables		516.8	319.4	-	-	-	76.4	912.6
Investment - net		-	237.1	-	-	8.3	-	245.4
Financial liabilities								
Payable to Clearing House		-	90.7	-	-	-	-	90.7
Securities and derivatives business payables - net		-	295.1	-	-	-	-	295.1

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS						
	As at December 31, 2011						
	Outstanding balances of net financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non Performing receivables	Total
Financial assets							
Cash and cash equivalents	184.5	-	-	-	-	-	184.5
Deposits at financial institutions	-	-	2.6	-	-	-	2.6
Receivable from Clearing House	-	24.6	-	-	-	-	24.6
Securities business receivables and derivatives business receivables	526.0	243.4	-	-	-	70.1	839.5
Investment - net	-	157.2	-	-	7.8	-	165.0
Investments in subsidiaries - net	-	-	-	-	13.7	-	13.7
Financial liabilities							
Payable to Clearing House	-	47.2	-	-	-	-	47.2
Securities and derivatives business payables - net	-	202.8	-	-	-	-	202.8

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	As at December 31, 2010						
	Outstanding balances of net financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Non Performing receivables	Total
Financial assets							
Cash and cash equivalents	192.6	-	-	-	-	-	192.6
Deposits at financial institutions	-	-	2.6	-	-	-	2.6
Securities business receivables and derivative business receivables	516.8	319.4	-	-	-	76.4	912.6
Investment - net	-	237.1	-	-	7.8	-	244.9
Investments in subsidiaries - net	-	-	-	-	18.3	-	18.3
Financial liabilities							
Payable to Clearing House	-	90.7	-	-	-	-	90.7
Securities and derivatives business payables - net	-	295.1	-	-	-	-	295.1

5.4 Foreign exchange risk

As at December 31, 2011 and 2010, the Company and its subsidiaries do not have any material financial instruments in foreign currencies.

5.5 Fair value

The approximate fair values of most financial assets and financial liabilities are based on the amounts recognized in the statement of financial position 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 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, 2011 and 2010, fair values of financial assets and liabilities are not significantly different from their carrying values.

6. DETAILS OF SIGNIFICANT TRANSACTIONS

6.1 Cash and cash equivalents

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2011	2010	2011	2010
Cash, deposits as current and saving accounts and promissory note matured within 3 months	308,513,536	538,071,891	307,918,386	514,913,659
<u>Less</u> Deposit accounts and promissory note for the customers*	(123,423,265)	(322,255,839)	(123,423,265)	(322,255,839)
Total cash and cash equivalents	185,090,271	215,816,052	184,495,121	192,657,820

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

6.2 Deposits at financial institutions

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2011		As at December 31, 2010	
	More than 3 months but not exceed 1 year	More than 1 year	More than 3 months but not exceed 1 year	More than 1 year
Deposits used as collateral	2,553,868	-	2,615,840	-
Total deposits at financial institutions	2,553,868	-	2,615,840	-

As at December 31, 2011 and 2010, the Company has fixed deposits used as collateral against service from service provider of Baht 2.55 million and Baht 2.62 million, respectively.

6.3 Receivables from Clearing House

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2011	2010
Receivables from Thailand Clearing House (TCH)	36,742,140	18,843,162
<u>Less</u> Receivables from Clearing House for the customers*	(12,168,643)	(18,826,234)
Total Receivables from Clearing House	24,573,497	16,928

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

6.4 Securities business receivables and derivatives business receivables - net

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31,	
	2011	2010
<u>Securities business receivables</u>		
Customers' accounts - cash	240,425,481	316,355,442
Securities business loans	526,039,919	516,774,818
Other receivables	70,085,494	76,442,361
Total securities business receivables	836,550,894	909,572,621
<u>Add</u> Accrued interest receivables	2,922,128	3,060,641
<u>Less</u> Allowance for doubtful accounts (Note 6.5)	(70,085,494)	(76,442,361)
Net securities business receivables and derivatives business receivables	769,387,528	836,190,901

As at December 31, 2011 and 2010, the Company has securities business receivables of approximately Baht 70.1 million and Baht 76.4 million, respectively, for which stopped recognizing interest income.

The Company has classified securities business receivables and derivatives 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. The receivables are classified as follows:

Unit: Million Baht

Classifications	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2011			As at December 31, 2010		
	Amount include accrued interest receivable	Allowance for doubtful accounts set up by the Company	Net amount after allowance for doubtful accounts	Amount include accrued interest receivable	Allowance for doubtful accounts set up by the Company	Net amount after allowance for doubtful accounts
Normal debts	769.4	-	769.4	836.2	-	836.2
Doubtful debts	70.1	(70.1)	-	76.4	(76.4)	-
Total	839.5	(70.1)	769.4	912.6	(76.4)	836.2

6.5 Allowance for doubtful accounts

Unit : Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31,	
	2011	2010
Beginning balance	76,442,361	86,809,401
<u>Less</u> Reversal of doubtful accounts	(5,231,178)	(9,779,447)
<u>Less</u> Bad debt written off	(1,125,689)	(587,593)
Ending balance	70,085,494	76,442,361

6.6 Investments - net

6.6.1 Cost and fair value

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2011		As at December 31, 2010	
	Cost/ book value	Fair value	Cost/ book value	Fair value
Trading securities				
Listed securities	3,604,525	3,509,036	-	-
Unit trusts	474,516,383	478,126,693	237,012,585	237,123,777
<u>Add</u> : Allowance for revaluation	3,514,821	-	111,192	-
<u>Less</u> : Unit trusts for the customers	(311,538,381)	(311,538,381)	-	-
Total trading securities - net	170,097,348	170,097,348	237,123,777	237,123,777

Unit : Baht

Non-marketable securities

Other securities - ordinary shares

Total non-marketable securities

Total investments - net

CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2011		As at December 31, 2010	
Cost/ book value	Fair value	Cost/ book value	Fair value
8,288,750	8,288,750	8,288,750	8,288,750
8,288,750	8,288,750	8,288,750	8,288,750
178,386,098	178,386,098	245,412,527	245,412,527

Unit : Baht

Trading securities

Listed securities

Unit trusts

Add : Allowance for revaluation

Less : Unit trusts for the customers

Total trading securities - net

SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2011		As at December 31, 2010	
Cost/ book value	Fair value	Cost/ book value	Fair value
3,604,525	3,509,036	-	-
461,705,169	465,202,347	237,012,585	237,123,777
3,401,689	-	111,192	-
(311,538,381)	(311,538,381)	-	-
157,173,002	157,173,002	237,123,777	237,123,777
7,800,000	7,800,000	7,800,000	7,800,000
7,800,000	7,800,000	7,800,000	7,800,000
164,973,002	164,973,002	244,923,777	244,923,777

Non-marketable securities

Other securities - ordinary shares

Total non-marketable securities

Total investments - net

6.6.2 Gain on investment

Unit : Baht

Unrealized gain (loss) from revaluation of trading securities

Realized gain from trading in trading securities

Total

CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,	
2011	2010
3,403,629	(91,850)
2,948,195	1,415,346
6,351,824	1,323,496

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2011	2010
Unrealized gain (loss) from revaluation of trading securities	3,290,497	(91,850)
Realized gain from trading in trading securities	2,928,989	1,415,346
Total	6,219,486	1,323,496

6.6.3 Interest and dividend

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2011	2010	2011	2010
Interest income	9,164,107	5,268,136	8,906,128	5,038,292
Dividend	350,804	1,074,881	350,804	1,074,881
Total	9,514,911	6,343,017	9,256,932	6,113,173

6.7 Investments in subsidiaries - net

Company's name	Type of business	Register country	Type of Invested security	Voting right (%)		Amount of investment Cost method		Amount of investment Equity method	
				As at December 31,		As at December 31,		As at December 31,	
				2011	2010	2011 (Baht)	2010 (Baht)	2011 (Baht)	2010 (Baht)
SICCO Advisory Company Limited	Financial Advisory	Thailand	Ordinary shares	99.99	99.99	20,000,000	20,000,000	13,693,032	16,356,092
SSEC Asset Management Securities Company Limited*	Private fund Manager	Thailand	Ordinary shares	-	51.00	-	15,300,000	-	1,983,982
<u>Less</u> Allowance for impairment						(6,306,968)	(16,959,926)	-	-
Investments in subsidiaries - net						13,693,032	18,340,074	13,693,032	18,340,074

* 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 and registered the liquidation with the Ministry of Commerce on April 29, 2011, the Company has received cash on capital refund of Baht 1,957,566.

6.8 Leasehold improvements and equipment - net

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance As at January 1, 2011	Increase	Decrease	Adjustment increase (decrease)	Balance As at December 31, 2011
Cost					
Leasehold improvements	39,956,112	1,983,699	(3,281,492)	-	38,658,319
Furniture and fixtures	11,413,009	553,187	(588,085)	-	11,378,111
Office equipment	111,374,391	6,897,100	(19,347,838)	-	98,923,653
Vehicles	14,551,717	2,776,261	(2,860,000)	-	14,467,978
Total cost	177,295,229	12,210,247	(26,077,415)	-	163,428,061
Accumulated depreciation					
Leasehold improvements	(24,725,531)	(3,547,201)	3,043,122	-	(25,229,610)
Furniture and fixtures	(7,877,756)	(901,231)	469,397	-	(8,309,590)
Office equipment	(101,334,128)	(4,395,116)	19,007,596	-	(86,721,648)
Vehicles	(9,594,348)	(2,425,613)	2,859,999	-	(9,159,962)
Total accumulated depreciation	(143,531,763)	(11,269,161)	25,380,114	-	(129,420,810)
Allowance for impairment of equipment	(942,731)				-
Total leasehold improvements and equipment - net	32,820,735				34,007,251

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

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance As at January 1, 2010	Increase	Decrease	Adjustment increase (decrease)	Balance As at December 31, 2010
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
Depreciation for the years ended December 31,					
2011					11,269,161
2010					10,873,110

Unit : Baht

SEPARATE FINANCIAL STATEMENTS					
	Balance As at January 1, 2011	Increase	Decrease	Adjustment increase (decrease)	Balance As at December 31, 2011
Cost					
Leasehold improvements	39,740,823	1,983,699	(3,281,492)	-	38,443,030
Furniture and fixtures	11,237,818	553,187	(588,085)	-	11,202,920
Office equipment	109,070,971	6,874,324	(18,262,690)	-	97,682,605
Vehicles	14,551,717	2,776,261	(2,860,000)	-	14,467,978
Total cost	174,601,329	12,187,471	(24,992,267)	-	161,796,533
Accumulated depreciation					
Leasehold improvements	(24,666,049)	(3,525,672)	3,043,122	-	(25,148,599)
Furniture and fixtures	(7,749,928)	(883,914)	469,397	-	(8,164,445)
Office equipment	(99,404,072)	(4,337,912)	18,193,180	-	(85,548,804)
Vehicles	(9,594,348)	(2,425,613)	2,859,999	-	(9,159,962)
Total accumulated depreciation	(141,414,397)	(11,173,111)	24,565,698	-	(128,021,810)
Allowance for impairment of equipment	(672,000)				-
Total leasehold improvements and equipment - net	32,514,932				33,774,723

	SEPARATE FINANCIAL STATEMENTS				
	Balance As at January 1, 2011	Increase	Decrease	Adjustment increase (decrease)	Balance As at December 31, 2011
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
Depreciation for the years ended December 31,					
2011					11,173,111
2010					10,593,024

In the consolidated financial statements as at December 31, 2011 and 2010, 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 78 million and Baht 102 million, respectively.

In the separate financial statements as at December 31, 2011 and 2010, 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 77 million and Baht 101 million, respectively.

6.9 Intangible assets - net

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2011						
	Remaining useful lives	Balance as at January 1, 2011	Additions	Amortization	Write-off/ transfer in (transfer out)	Balance as at December 31, 2011
Software	1-5 years	11,430,396	816,908	(4,169,549)	1,217,234	9,294,989
Investment advisory fee	1 years	66,720	-	(50,040)	-	16,680
TFEX membership	-	3,414,469	-	-	-	3,414,469
License fee	-	408,333	-	-	(408,333)	-
Website development cost	-	37,557	-	(37,554)	-	3
Total		15,357,475	816,908	(4,257,143)	808,901	12,726,141
Intangible assets under development		1,765,302	1,114,110	-	(2,448,192)	431,220
Allowance for impairment of intangible assets		(1,135,823)	-	-	1,135,823	-
Total		15,986,954	1,931,018	(4,257,143)	(503,468)	13,157,361

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS						
As at December 31, 2010						
	Remaining useful lives	Balance as at January 1, 2010	Additions	Amortization	Write-off/ transfer in (transfer out)	Balance as at December 31, 2010
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		17,932,226	3,136,545	(5,521,620)	(189,676)	15,357,475
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		18,624,044	4,876,639	(5,521,620)	(1,992,109)	15,986,954

Amortization for the years ended December 31,

2011	4,257,143
2010	5,521,620

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2011						
	Remaining useful lives	Balance as at January 1, 2011	Additions	Amortization	Write-off/ transfer in (transfer out)	Balance as at December 31, 2011
Software	1-5 years	10,702,050	787,357	(4,163,513)	1,944,724	9,270,618
TFEX membership	-	3,414,469	-	-	-	3,414,469
Website development cost	-	37,557	-	(37,554)	-	3
Total		14,154,076	787,357	(4,201,067)	1,944,724	12,685,090
Intangible assets under development		1,765,302	1,114,110	-	(2,448,192)	431,220
Total		15,919,378	1,901,467	(4,201,067)	(503,468)	13,116,310

Unit : Baht

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2010						
	Remaining useful lives	Balance as at January 1, 2010	Additions	Amortization	Write-off/ transfer in (transfer out)	Balance as at December 31, 2010
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		16,214,647	3,136,545	(5,007,440)	(189,676)	14,154,076
Intangible assets under development		691,818	2,875,917	-	(1,802,433)	1,765,302
Total		16,906,465	6,012,462	(5,007,440)	(1,992,109)	15,919,378

Amortization for the years ended December 31,

2011	4,201,067
2010	5,007,440

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 such 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). However, a subsidiary has registered the dissolution (see Note 1). Therefore, during the year ended December 31, 2011, the subsidiary has written off all of such prepaid broker license.

6.10 Other assets

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2011	2010	2011	2010
Deposits	10,965,986	12,016,581	10,965,986	12,016,581
Clearing fund	22,279,773	20,655,943	22,279,773	20,655,943
Leasehold right	13,630,756	14,881,756	13,630,756	14,881,756
Accrued fee income	934,968	973,894	688,868	802,694
Prepaid expense	1,845,000	1,944,761	1,841,175	1,923,746
Other receivable - subsidiary	-	-	12,798	2,219,631
Others	2,181,819	1,131,500	1,720,562	885,023
Total other assets	51,838,302	51,604,435	51,139,918	53,385,374

6.11 Provisions for post-employment benefits

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2011	2010	2011	2010
Beginning balance	6,741,464	2,321,000	5,931,280	2,312,000
Increase during the year	4,385,088	6,925,410	4,264,015	6,123,638
Decrease during the year	(1,655,161)	(2,504,946)	(1,006,938)	(2,504,358)
Ending balance	9,471,391	6,741,464	9,188,357	5,931,280

As at December 31, 2011, the Company and subsidiary calculated post-employment benefits obligation by using actuarial technique, the assumptions are included salary increase rate is 6% (As at December 31, 2010 are 4% - 5%), discount rate are 3.275% - 4.077% (As at December 31, 2010 are 3.879% - 4.181%), turnover rate is 13.00 - 15.62% (As at December 31, 2010 is 12%) and retirement age is at 60 years.

The Company and subsidiary recognized post-employment benefits obligation as liabilities in the consolidated and separate statements of financial position as at December 31, 2011 of Baht 9.5 million and Baht 9.2 million, respectively (As at December 31, 2010 : Baht 6.7 million and Baht 5.9 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, 2011 and 2010 are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Post-employment benefits expenses	3.4	4.4	3.3	3.6

As at December 31, 2011, the consolidated and the separate financial statements also have post-employment benefits obligation of Baht 5.2 million and Baht 5.2 million, respectively, which have not been recognized as liabilities (As at December 31, 2010 : Baht 7.8 million and Baht 7.7 million, respectively).

6.12 Other liabilities

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2011	2010	2011	2010
Accrued expenses	15,565,193	13,183,605	15,437,644	13,045,819
Withholding tax payable	1,868,038	2,928,062	1,695,366	2,749,283
Value added tax payable	1,244,233	1,817,091	1,244,233	1,778,203
Others	7,501,410	11,008,153	7,394,392	10,941,305
Total	26,178,874	28,936,911	25,771,635	28,514,610

6.13 Retained earnings

6.13.1 Legal reserve

The Company is required to set aside a legal 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.

6.13.2 Dividend paid

On April 27, 2011, the year 2011 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 13, 2011.

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.

6.14 Brokerage fees

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2011	2010	2011	2010
Brokerage fee from securities business	303,759,032	336,917,947	303,759,032	336,917,947
Brokerage fee from the derivative business	21,966,784	15,855,612	21,966,784	15,855,612
Brokerage fee from wealth management	8,649,406	8,956,926	8,649,406	8,956,926
Total	334,375,222	361,730,485	334,375,222	361,730,485

6.15 Fees and services income

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2011	2010	2011	2010
Financial advisory	7,740,000	6,070,000	-	-

6.16 Impairment loss from securities

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2011	2010	2011	2010
Loss on impairment of investment in subsidiaries	-	-	2,689,476	4,967,269

7. CAPITAL MANAGEMENT

The Company

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 general liabilities and assets held as collateral except if the Company discontinued its derivatives agent business and notified to the Securities and Exchange Commission. The Company, therefore, has to maintain its net capital requirement as mentioned in the first paragraph.

As at December 31, 2011, the Company has net capital requirement of Baht 750.8 million or 279.98% of liabilities and assets held as collateral (As at December 31, 2010 of Baht 763.7 million or 166.78% of liabilities and assets held as collateral).

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

The subsidiary

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 is effective on December 31, 2010 onwards. 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 and registered the liquidation with the Ministry of Commerce on April 29, 2011.

8. 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. CORPORATE INCOME TAX

Corporate income tax for the year has been calculated on the net income of the Company and its subsidiaries 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 such tax rate for the corporate income tax calculations for the year ended December 31, 2010 to conform to such tax rate change. However, the Company has used a tax rate of 30% for the corporate income tax calculations for the year ended December 31, 2011 due to such privilege has been expired.

10. 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.

On October 1, 2011, the Company, the subsidiaries and its employees have jointly registered provident fund of SICCO Securities Public Company Limited and affiliate and transferred the contributed by the employees and the Company and the subsidiaries from the provident fund of The Siam Industrial Credit Public Company Limited to the provident fund of SICCO Securities Public Company Limited and affiliate. 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.

For the years ended December 31, 2011 and 2010, the Company and its subsidiaries have contributed Baht 10.4 million and Baht 10.0 million, respectively, to the fund and contributed by the Company only was Baht 9.8 million and Baht 9.6 million, respectively.

11. THE ADDITIONAL INFORMATION

11.1 Significant managements' remuneration

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2011	2010	2011	2010
Short-term benefits	37,353,141	37,779,591	29,671,797	32,592,952
Post-employment benefits	1,589,467	2,738,971	1,476,021	1,939,483
Total	38,942,608	40,518,562	31,147,818	34,532,435

11.2 Commitments and contingent liability

a. Long-term lease and service agreements

The Company and its subsidiary have 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

Year	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2011	2010	2011	2010
2012	18.9	10.7	18.8	10.6
2013	13.2	8.9	13.2	8.9
2014	3.6	-	3.6	-
2015	1.1	-	1.1	-

- b. As at December 31, 2011 and 2010, there were outstanding bank guarantees of Baht 1.4 million issued by a bank on behalf of the Company.
- c. In January 2011, the Company has been a defendant in the Civil Court for a claim of Baht 3,374,730. Subsequently, on July 19, 2011, the Civil Court rendered judgment dismissing. However, on September 2, 2011, the prosecutor has appealed against the Court, the case is being in the consideration of the 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, 2011.

11.3 Related parties 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:

Relationship between related persons and related parties are as follows:

Name	Relationship
The Siam Industrial Credit Pcl.	Parent company
SICCO Advisory Co., Ltd.	Subsidiary company
SSEC Asset Management Securities Co., Ltd.	Subsidiary company (Registered the liquidation with the Ministry of Commerce on April 29, 2011)
The Siam Commercial Bank Pcl.	Major shareholder of parent company
SCB Asset Management Co., Ltd.	Subsidiary company of major shareholder of parent company
The Siam Commercial Samaggi Pcl.	Subsidiary company of major shareholder of parent company
Mr. Siripong Sutharoj	Director and Management
Mr. Chakkris Uthayophas	Director and Management
Mrs. Orapim Chalarug	Management
Mr. Nakorn Lampavas	Management
Mr. Kanog Wongsarawit	Management (Resigned since October 16, 2011)
Mrs. Jirapan Chairroj	Director and Management (Resigned since July 1, 2010)

Related parties Transactions were as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,		Pricing policy
	2011	2010	2011	2010	
1) Brokerage fees income					
- The Siam Industrial Credit Pcl.	145,861	252,412	145,861	252,412	Market price
- Mr. Siripong Sutharoj	1,362	26,024	1,362	26,024	0.25% of trading volume
- Mr. Chakkris Uthayophas	1,231	-	1,231	-	0.25% of trading volume
- Mrs. Orapim Chalarug	282	600	282	600	0.25% of trading volume
- Mr. Nakorn Lampavas	185	-	185	-	0.25% of trading volume
- Mr. Kanog Wongsarawit	484	1,735	484	1,735	0.25% of trading volume
- Mrs. Jirapan Chairroj	-	21,762	-	21,762	0.25% of trading volume
2) Fee income					
- SCB Asset Management Co., Ltd.	1,037,093	792,179	1,037,093	792,179	0.10%-1.00% of net assets value of the fund

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,		
	2011	2010	2011	2010	Pricing policy
3) Other service income					
- SICCO Advisory Co., Ltd.	-	-	354,832	369,207	Market price
4) Interest income					
- The Siam Industrial Credit Pcl.	923,140	790,146	680,545	572,233	0.875%-3.000% per annum
- The Siam Commercial Bank Pcl.	125,348	37,253	119,305	25,324	0.25%-2.85% per annum
5) Dividend payment					
- The Siam Industrial Credit Pcl	13,393,736	13,393,736	13,393,736	13,393,736	As declared
6) Insurance expenses					
- The Siam Commercial Samaggi Insurance Pcl	3,229,005	708,799	3,226,280	706,326	Market price

The outstanding balances of the transactions were as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31,		As at December 31,	
	2011	2010	2011	2010
1) Cash and cash equivalents				
- The Siam Industrial Credit Pcl.	64,000,000	122,067,700	64,000,000	105,000,000
- The Siam Commercial Bank Pcl.	16,229,261	21,581,215	15,639,110	15,495,683
2) Deposits at financial in institution				
- The Siam Commercial Bank Pcl.	930,900	1,000,000	930,900	1,000,000
3) Other account receivable				
- SICCO Advisory Co., Ltd.	-	-	12,798	2,219,631
4) Securities and derivatives business payables				
- The Siam Industrial Credit Pcl.	2,961,694	-	2,961,694	-

11.4 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, 2011 and 2010 are as follows:

Unit: Million Baht

	For the years ended December 31,							
	Securities business		Other business		Elimination entries		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Revenues	386	401	8	6	-	-	394	407
Expenses	(336)	(345)	(11)	(12)	3	5	(344)	(352)
Income (loss) before income tax	50	56	(3)	(6)	3	5	50	55
Income tax expenses	(14)	(18)	-	-	-	-	(14)	(18)
Income (loss) before non-controlling interests	36	38	(3)	(6)	3	5	36	37
Non-controlling interests	-	-	-	-	-	1	-	1
Net profit (loss) for the years	36	38	(3)	(6)	3	6	36	38

The financial information by segment, securities business and other businesses, as of December 31, 2011 and 2010 are as follows:

Unit: Million Baht

	For the years ended December 31,							
	Securities business		Other business		Elimination entries		Total	
	As at December 31,		As at December 31,		As at December 31,		As at December 31,	
	2011	2010	2011	2010	2011	2010	2011	2010
Cash and cash equivalents	184	193	1	23	-	-	185	216
Deposits at financial institutions	3	3	-	-	-	-	3	3
Receivables from Clearing House	25	-	-	-	-	-	25	-
Securities business receivables and derivatives business receivables - net	769	836	-	-	-	-	769	836
Investment - net	165	245	13	1	-	-	178	246
Investments in subsidiaries - net	14	18	-	-	(14)	(18)	-	-
Leasehold improvements and equipment - net	34	32	-	-	-	-	34	32
Intangible assets - net	13	16	-	-	-	-	13	16
Other assets	51	53	1	1	-	(2)	52	52
Total	1,258	1,396	15	25	(14)	(20)	1,259	1,401

12. APPROVAL FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by authorized director of the Company on February 14, 2012.

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