

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND THE SIX-MONTH PERIODS ENDED JUNE 30, 2016**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

Seamico Securities Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The Company converted the status to be a Public Limited Company in accordance with the Public Limited Companies Act. on August 8, 1994 and was listed on the Stock Exchange of Thailand (“SET”) on March 17, 1995. The address of its registered office is 18th Floor, 287 Liberty Square, Silom Road, Bangrak, Bangkok, 10500.

The Company was granted 7 licenses to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. On-line Securities Trading
6. Derivatives Trading
7. Securities Borrowing and Lending

The Company has subsidiaries as follows:

1. Solaris Asset Management Co., Ltd. operates its business in Thailand and has been granted permission to manage mutual fund, private fund and provident fund.
2. Lumpini Asset Management Co., Ltd operates its business in Thailand. The main objective of the Company is to carry out the business of purchasing or taking transfer of non-performing assets of financial institution which is its commercial bank, business funding or credit fancier license to revoke include related collateral for the purpose of asset management, development and disposals.

As at June 30, 2016 and December 31, 2015, the Company has one head office.

On May 1, 2009, the Company transferred its business and margin loan accounts to KT ZMICO Securities Co., Ltd., an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc. The Company has temporarily ceased its operation on securities and derivative business since May 1, 2009 until December 31, 2011 which was approved by the Office of the Securities and Exchange Commission as the letter No. SEC.Thor. 701/2552. Subsequently, the Company was granted by the Office of the Securities and Exchange Commission to extend the suspension period for securities and derivative business operation until April 30, 2013 as the letter No. SEC.Thor. 474/2554 dated April 4, 2011. Consequently, the Company applied the approval system work flow of Investment advisory service under the existing securities business license to the Office of the Securities and Exchange Commission. The Company was approved to re-operate its Investment Advisory Services According to the letter No. SEC. BorThor. 994/2556 dated on May 2, 2013 starting from May 2, 2013 onward.

Moreover, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2016 according to the letter No. BorSorChor.0020/2558 dated October 12, 2015.

On August 4, 2016, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2017 according to the letter No. BorSorChor.0005/2559.

Currently, the major businesses of the Company are related to investment and securities businesses which shall not compete with KT ZMICO Securities Co., Ltd.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Company prepares its statutory financial statements in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand, where the format of financial statement is based on Thai Accounting Standard No.1 (Revised 2015) "Presentation of Financial Statements" and also the Notification of the Office of the Securities and Exchange Commission ("SEC") No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding "The Form of Financial Statements for Securities Companies".

2.2 The consolidated financial statements for the three-month and the six-month periods ended June 30, 2016 include the accounts of the Company, Solaris Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd., whereas, the consolidated financial statements for the three-month and the six-month periods ended June 30, 2015 include the accounts of the Company and Solaris Asset Management Co., Ltd., which the Company has a holding of 100% in theirs equity of both subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for three-month and the six-month periods ended June 30, 2016 and 2015 also included interest in an associated companies' equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd. and Beacon Offshore Limited.

In addition, during the six-month period ended June 30, 2016, the Company has investments in Bill of Exchange issued by Phra Kanong Land Company Limited of Baht 500 million. The shareholders of such company made the agreement to pledge all of the company's ordinary shares as collateral. In addition, Phra Kanong Land Company Limited issued preferred shares to the Company, in which the preferred shares have the right to joint control with the ordinary shares to control assets of Phra Kanong Land Company Limited. As well as, the Company has representative as a director in Phra Kanong Land Company Limited and has joint control over the asset transactions.

After receiving the repayment on the Bill of Exchange, the Company has to terminate the pledge of the ordinary shares, transfer preferred shares back to Phra Kanong Land Company Limited and cancel the appointment of director in such company in order to ended of the arrangement.

3. NEW THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

3.1 The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2016 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosure
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interest in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases - Incentives
TSIC 25 (Revised 2015)	Income Taxes - Change in the Tax Status of an Entity or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosures - Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Website Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2015)	Levies

Guideline on Accounting

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

Above TFRSs have no material impact on these financial statements.

3.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thai Financial Reporting Standards Professions has issued the Notifications regarding the Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities, which will be and effective for the financial statements for the periods beginning on or after January 1, 2017 onwards.

The Company’s and its subsidiaries’ management will adopt the TFRS in the preparation of the financial statements when it becomes effective. The management is currently assessing the full impact on the Company’s and its subsidiaries’ financial statements in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

4.1 Revenue and expense recognition

Brokerage fees

Brokerage fees on securities and derivatives 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 this 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 recognized as expense 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 assets and liabilities of the Company for internal control purposes. At the end of reporting period, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities 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 with original maturity not more than 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

4.5 Investments in debt and equity securities

Investments in securities held for trading are determined at fair value. Gain or loss arising from change in value of securities is 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 equity until securities are sold, then, the change shall be included in the statements of comprehensive income.

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

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

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

Gains and losses on sale of investments are determined by the weighted average method and recognized in the statements of comprehensive income.

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

The fair value of marketable securities is based on the latest bid price of the last working day of the period 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.

4.6 Investments in subsidiary and associated companies

Investments in subsidiary and associated companies are accounted for under the cost method in the separate financial statement net of allowances for impairment (if any).

Investments in subsidiary and associated companies are accounted for under the equity method in the consolidated financial statements.

4.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise three categories which are receivables from securities and derivatives businesses of cash accounts, loan for securities purchases and other receivables. Receivables from securities and derivatives businesses of cash accounts are the receivables that were derived from cash settlements within 3 working days and 1 working day, respectively, after the securities and derivatives purchasing date. Loans for securities purchases are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue receivables from securities and derivatives businesses of cash accounts and restructured or installment receivables.

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. 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 expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines of 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 balance
 - 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).

Loans classified as loss will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the loan balances.

4.9 Building improvement and equipment

Building improvement 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:

Building improvement	5 years
Office equipment	3 - 5 years
Vehicles	5 years

Impairment

At the end of reporting period, the Company reviews whether there is an indicator indicating that the assets are impaired. In case there is an indicator, the Company will estimate the recoverable amount of such assets. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized as expense immediately.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of building improvement and equipment. These are included in the statements of comprehensive income.

4.10 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the assets are available for immediate sale in its present condition.

Assets held for sale consist of immovable property which is stated at the lower of cost or fair value after deducting cost to sell. Loss on impairment will be recorded as expense in the statements of comprehensive income.

Gain or loss on disposals of assets classified as held for sale is recognized in the statements of comprehensive income at the date of disposal.

4.11 Intangible assets

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

Amortization is charged to the statements of comprehensive income on a straight-line basis over its estimated useful life as follow:

Computer software	5 years
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Intangible assets with indefinite useful life consist of deferred license fees which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

4.12 Securities and derivatives business payables

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

4.13 Long-term lease

4.13.1 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.

4.13.2 Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as finance lease. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using term of contract. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statements of comprehensive income.

4.14 Employee benefits

4.14.1 Provident fund

The Company and its subsidiary set up a provident fund which is a defined contribution plan. Assets of the provident fund have been separated from assets of the Company and its subsidiary and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiary. The contributions for provident fund are recorded as expense in the statements of comprehensive income for the period they incur.

4.14.2 Post-employment benefits

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Gains or losses from changes in estimate are recognized as other comprehensive income in the statements of profit or loss and other comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the statements of profit or loss and other comprehensive income in order to allocate such costs throughout the service period.

4.14.3 Unused paid vacation leave

The Company and its subsidiary recognize the expected cost of short-term employee benefits in the form of accumulating unused paid vacation leave when the employees render service that increases their entitlement to future paid vacation leave. The expected cost of accumulating unused paid vacation leave is measured as the additional amount that the Company and its subsidiary expect to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

4.15 Provisions

The Company and its subsidiary recognize provisions in the financial statements when the amount of the liability can be reliably estimated and it is current commitment that is probable that loss of resources which are of economic benefit to the Company and its subsidiary will result from settlement of such commitments.

4.16 Income tax

Income tax comprises current income tax and deferred income tax.

4.16.1 Current income tax

Current income tax is the amount income tax expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Company and its subsidiary generally recognize deferred tax liabilities for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered by the Company and its subsidiary. The Company and its subsidiary do not recognize deferred tax assets and liabilities for the goodwill.

The Company and its subsidiary measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiary to off set the recognized amounts and the Company and its subsidiary intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and its subsidiary present income tax expenses or income related to profit or loss in the statement of comprehensive income. Current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period are recognized directly in other comprehensive income.

4.17 Earnings (loss) per share

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

During the periods, the Company has no potential ordinary share for calculating diluted earnings (loss) per share.

4.18 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the end of reporting period are translated to Thai Baht at the exchange rate prevailing at the end of reporting period. Gain and loss resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of comprehensive income.

4.19 Risk management and prevention

Financial instruments carried in the statements of financial position include cash and cash equivalents, securities business receivables and investments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.20 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and closed members of family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.21 Use of management judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standard (TFRS) 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.

4.22 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	217,928,952	425,456,071	148,880,839	356,213,304
<u>Less</u> Cash deposits held for customers*	<u>(12,953,311)</u>	<u>(20,753,987)</u>	<u>(12,443,311)</u>	<u>(12,368,607)</u>
Total cash and cash equivalents	<u>204,975,641</u>	<u>404,702,084</u>	<u>136,437,528</u>	<u>343,844,697</u>

(* According to the announcement of the SEC, deposit accounts for the customers are not required to present as assets and liabilities in the financial statements.)

As at June 30, 2016 and December 31, 2015, the Company had deposits at financial institutions and promissory notes held for customers in the consolidated statements of financial position in amounting to Baht 12.95 million and Baht 20.75 million, respectively, and the separate statements of financial position in amounting to Baht 12.44 million and Baht 12.37 million, respectively, which the Company must return to the customers at call.

As at June 30, 2016 and December 31, 2015, the securities business cash customers of 467 accounts and 493 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 34) have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.61 million and Baht 4.54 million, respectively, and shares with the values of Baht 126.53 million and Baht 114.59 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES - NET

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Securities business receivables	10,316,821	7,522,841
Other receivables		
Receivables under litigation	62,654,566	62,654,566
Total securities business receivables	72,971,387	70,177,407
<u>Less</u> Allowance for doubtful accounts (see Note 7)	<u>(58,337,489)</u>	<u>(58,607,306)</u>
Total	<u>14,633,898</u>	<u>11,570,101</u>

The Company has classified securities business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission on the non-performing receivables No. Kor Thor. 33/2543 dated August 25, 2000, which is updated by the Notification No. Kor Thor. 5/2544 dated February 15, 2001 as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at June 30, 2016			As at December 31, 2015		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities Business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	10,316,821	-	10,316,821	7,522,841	-	7,522,841
Substandard debts	4,317,077	-	4,317,077	4,047,260	-	4,047,260
Doubtful debts	58,337,489	(58,337,489)	-	58,607,306	(58,607,306)	-
Total	<u>72,971,387</u>	<u>(58,337,489)</u>	<u>14,633,898</u>	<u>70,177,407</u>	<u>(58,607,306)</u>	<u>11,570,101</u>

The substandard and doubtful debts (securities business receivables and accrued interest receivables) are classified by aging as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Over 3 years	62,654,566	62,654,566
Total	<u>62,654,566</u>	<u>62,654,566</u>

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Beginning balance of the period	58,607,306	55,909,133
Doubtful accounts (Reversal)	(269,817)	2,698,173
Ending balance of the period (see Note 6)	<u>58,337,489</u>	<u>58,607,306</u>

8. INVESTMENTS - NET

8.1 The Company has investments in debt and equity securities classified by investment type as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at June 30, 2016		As at December 31, 2015	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - List securities	93,392,217	86,767,324	103,433,284	91,221,379
Debt securities - Corporate bond	25,404,303	27,363,022	108,934,028	110,951,859
Debt securities - Bill of exchange	892,155,936	917,287,334	1,024,932,944	1,035,136,881
Total	1,010,952,456	1,031,417,680	1,237,300,256	1,237,310,119
<u>Add</u> Revaluation adjustments	20,465,224	-	9,863	-
Total trading securities - net	<u>1,031,417,680</u>	<u>1,031,417,680</u>	<u>1,237,310,119</u>	<u>1,237,310,119</u>
<u>Available-for-sale securities</u>				
Equity securities - List securities	76,893,631	81,224,694	76,893,631	61,607,128
<u>Less</u> Revaluation adjustments	4,331,063	-	(15,286,503)	-
Total available-for-sale securities - net	<u>81,224,694</u>	<u>81,224,694</u>	<u>61,607,128</u>	<u>61,607,128</u>
<u>General investments</u>				
Ordinary shares	342,940,014	291,045,792	330,025,014	275,955,876
Preference shares	130,000	130,000	130,000	130,000
Total	343,070,014	291,175,792	330,155,014	276,085,876
<u>Less</u> Allowance for impairment	(51,894,222)	-	(54,069,138)	-
Total general investments - net	<u>291,175,792</u>	<u>291,175,792</u>	<u>276,085,876</u>	<u>276,085,876</u>
Total investments - net	<u>1,403,818,166</u>	<u>1,403,818,166</u>	<u>1,575,003,123</u>	<u>1,575,003,123</u>

SEPARATE FINANCIAL STATEMENTS				
	As at June 30, 2016		As at December 31, 2015	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
	<u>Trading securities</u>			
Equity securities - List securities	87,693,012	80,882,074	99,630,991	87,790,879
Debt securities - Corporate bond	25,404,303	27,363,022	108,934,028	110,951,859
Debt securities - Bill of exchange	892,155,936	917,287,334	1,024,932,944	1,035,136,881
Total	1,005,253,251	1,025,532,430	1,233,497,963	1,233,879,619
<u>Add</u> Revaluation adjustments	20,279,179	-	381,656	-
Total trading securities - net	<u>1,025,532,430</u>	<u>1,025,532,430</u>	<u>1,233,879,619</u>	<u>1,233,879,619</u>
<u>Available-for-sale securities</u>				
Equity securities - List securities	76,893,631	81,224,694	76,893,631	61,607,128
<u>Less</u> Revaluation adjustments	4,331,063	-	(15,286,503)	-
Total available-for-sale securities - net	<u>81,224,694</u>	<u>81,224,694</u>	<u>61,607,128</u>	<u>61,607,128</u>
<u>General investments</u>				
Ordinary shares	342,940,014	291,045,792	330,025,014	275,955,876
Preference shares	130,000	130,000	130,000	130,000
Total	343,070,014	291,175,792	330,155,014	276,085,876
<u>Less</u> Allowance for impairment	(51,894,222)	-	(54,069,138)	-
Total general investments - net	<u>291,175,792</u>	<u>291,175,792</u>	<u>276,085,876</u>	<u>276,085,876</u>
Total investments - net	<u>1,397,932,916</u>	<u>1,397,932,916</u>	<u>1,571,572,623</u>	<u>1,571,572,623</u>

8.2 Gain (loss) on investments

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Unrealized gain (loss) on re-measuring trading investments	(2,790,961)	28,649,286	(2,946,896)	28,649,286
Gain (loss) on sale of trading investments	23,330,111	(11,975,671)	23,330,111	(11,975,671)
Total	<u>20,539,150</u>	<u>16,673,615</u>	<u>20,383,215</u>	<u>16,673,615</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Unrealized gain on re-measuring trading investments	20,455,361	463,499	19,897,523	463,499
Gain (loss) on sale of trading investments	20,809,046	(6,111,405)	20,809,045	(6,111,405)
Total	<u>41,264,407</u>	<u>(5,647,906)</u>	<u>40,706,568</u>	<u>(5,647,906)</u>

8.3 Interest and dividend from investments in debt and equity securities

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Interest	334,495	604,757	334,495	604,757
Dividend	1,277,028	237,994	1,144,578	237,994
Total	<u>1,611,523</u>	<u>842,751</u>	<u>1,479,073</u>	<u>842,751</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Interest	1,114,010	929,877	1,097,503	929,877
Dividend	7,297,845	389,303	29,010,667	141,884,063
Total	<u>8,411,855</u>	<u>1,319,180</u>	<u>30,108,170</u>	<u>142,813,940</u>

8.4 Surplus (deficit) on re-measuring available-for-sale investments recognized in owners' equity

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
	Baht	Baht	Baht	Baht
Beginning balance of the period	(6,347,606)	-	(6,347,606)	-
Changes during the period				
- from deferred tax adjustment	(3,923,513)	1,586,901	(3,923,513)	1,586,901
- from re-measuring of investments	19,617,566	(7,934,507)	19,617,566	(7,934,507)
Ending balance of the period	<u>9,346,447</u>	<u>(6,347,606)</u>	<u>9,346,447</u>	<u>(6,347,606)</u>

8.5 The Company has general investments in companies that have financial position and performance problems as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at June 30, 2016			As at December 31, 2015		
	Cost/ Book value	Fair value	Allowance for loss on impairment	Cost/ Book value	Fair value	Allowance for loss on impairment
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	<u>7,808</u>	<u>845</u>	<u>6,963</u>	<u>7,808</u>	<u>835</u>	<u>6,973</u>
	<u>7,808</u>	<u>845</u>	<u>6,963</u>	<u>7,808</u>	<u>835</u>	<u>6,973</u>

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES - NET

The Company's investments in its subsidiaries and associated companies, which are companies registered under Thai laws and operating in Thailand, are summarized below:

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO										
Securities Co., Ltd.	Securities business	Ordinary share	2,138	2,138	49.71	49.71	1,244.1	1,244.1	1,341.8	1,328.5
Beacon Offshore Ltd.	Sale equipment for marine & offshore industries	Ordinary share	148	148	18.7	18.7	70.0	70.0	51.2	51.2
<u>Less</u> Allowance for impairment							(70.0)	(70.0)	(51.2)	(51.2)
							<u>1,244.1</u>	<u>1,244.1</u>	<u>1,341.8</u>	<u>1,328.5</u>

SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiary										
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund management	Ordinary share	125.4	125.4	100.0	100.0	173.1	173.1	101.7	86.9
Lumpinee Asset Management Co., Ltd.	Purchasing or taking transfer of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.0	100.0	25.0	25.0	24.6	25.0
<u>Less</u> Allowance for impairment							(71.4)	(86.2)	-	-
							<u>126.7</u>	<u>111.9</u>	<u>126.3</u>	<u>111.9</u>
Associate										
KT ZMICO										
Securities Co., Ltd.	Securities business	Ordinary share	2,138	2,138	49.71	49.71	1,244.1	1,244.1	1,341.8	1,328.5
Beacon Offshore Ltd.	Sale equipment for marine & offshore industries	Ordinary share	148	148	18.7	18.7	70.0	70.0	51.2	51.2
<u>Less</u> Allowance for impairment							(70.0)	(70.0)	(51.2)	(51.2)
							<u>1,244.1</u>	<u>1,244.1</u>	<u>1,341.8</u>	<u>1,328.5</u>
							<u>1,370.8</u>	<u>1,356.0</u>	<u>1,468.1</u>	<u>1,440.4</u>

Summarized financial information in respect of associated companies is set out below:

	As at June 30, 2016 Million Baht	As at December 31, 2015 Million Baht
Total assets	9,966.5	6,773.6
Total liabilities	(7,384.0)	(4,299.5)
Net assets	<u>2,582.5</u>	<u>2,474.1</u>

	For the three-month periods ended June 30, “Unaudited”	
	2016 Million Baht	2015 Million Baht
Total revenue	580.2	453.5
Net income for the period	119.2	35.4
Net other comprehensive income (loss) for the period	23.6	(1.8)

	For the six-month periods ended June 30, 2016 Million Baht		2015 Million Baht	
Total revenue	1,013.6	1,011.8		
Net income for the period	132.3	101.7		
Net other comprehensive income for the period	20.2	6.3		
Dividend received from an associated company	21.9	141.5		

On December 3, 2014, the Board of Investment Committee’s meeting passed the resolution to buy additional investment in ordinary shares in KT ZMICO Securities Co., Ltd. which is the Company’s associated company amounting 99,000 shares at Baht 19.18 each from the existing shareholder and on June 17, 2015, the Board of Investment Committee’s meeting acknowledged an additional buyer investment in ordinary shares in KT ZMICO Securities Co., Ltd. amounting 170,000 shares at Baht 27.60 each from the existing shareholder. As a result, the shareholding in this associated company has increased from 49.64% to 49.71%.

On March 21, 2014, the Company entered into an investment agreement to purchase 2 million ordinary shares of Beacon Offshore Ltd., the share has par value of Baht 10 per share, totally in amount of Baht 60 million, which is 19.05% of total shares. Beacon provides sale and service of safety and survival equipment for the marine and offshore industries. On March 25, 2015 the Board of Investment Committee's meeting passed the resolution to buy additional investment in ordinary shares in Beacon Offshore Ltd. which is the Company's associated company amounting 768,205 shares at Baht 13 each from Beacon's capital increase. As a result, the shareholding in this associated company has increased from 19.05% to 21.62%. However, on December 24, 2015, the extraordinary shareholders' meeting of the associated company has passed a special resolution to increase its share capital of 2,000,000 shares, from 12,806,000 ordinary shares to 14,806,000 ordinary shares with the par value of Baht 10 per share. The Company did not purchase the additional such shares increase. As a result, the shareholding in this associated company has decreased from 21.62% to 18.70% of issued and paid-up share capital of the associated company.

On December 31, 2015, the Company has fully reserved for impairment loss of investment in Beacon Offshore Ltd., in separate financial statement of Baht 69.99 million and in consolidated financial statement of Baht 51.21 million due to Beacon Offshore Ltd., has operating loss and is in the process of company restructuring.

On February 27, 2015, the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Lumpini Asset Management Co., Ltd which is the Company's subsidiary. The subsidiary has issued and paid-up share capital of Baht 25 million for 2,500,000 ordinary shares with the par value of Baht 10 per share. As at June 30, 2016 and December 31, 2015, the shareholding of the Company in subsidiary is 100%.

As at June 30, 2016 and December 31, 2015, the paid-up share capital of Solaris Asset Management Co., Ltd. which is the Company's subsidiary is Baht 125.4 million, consisting of 22,800,000 ordinary shares of Baht 5.5 per share. As at June 30, 2016 and December 31, 2015, the subsidiary's shares are held by the Company 100%.

10. BUILDING IMPROVEMENT AND EQUIPMENT - NET

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2015 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2016 Baht
Cost				
Building improvement	7,491,034	70,620	-	7,561,654
Office equipment	12,081,570	371,634	-	12,453,204
Vehicles	5,782,600	-	-	5,782,600
Total cost	25,355,204	442,254	-	25,797,458
Accumulated depreciation				
Building improvement	(4,189,016)	(552,609)	-	(4,741,625)
Office equipment	(8,812,740)	(765,722)	-	(9,578,462)
Vehicles	(1,261,446)	(575,100)	-	(1,836,546)
Total accumulated depreciation	(14,263,202)	(1,893,431)	-	(16,156,633)
Total building improvement and equipment - net	11,092,002			9,640,825

CONSOLIDATED FINANCIAL STATEMENTS

	Balance as at December 31, 2014 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2015 Baht
Cost				
Building improvement	7,453,651	37,383	-	7,491,034
Office equipment	9,406,758	1,568,975	-	10,975,733
Vehicles	3,844,600	-	-	3,844,600
Total cost	<u>20,705,009</u>	<u>1,606,358</u>	<u>-</u>	<u>22,311,367</u>
Accumulated depreciation				
Building improvement	(3,090,163)	(543,413)	-	(3,633,576)
Office equipment	(7,678,760)	(458,891)	-	(8,137,651)
Vehicles	(415,006)	(381,300)	-	(796,306)
Total accumulated depreciation	<u>(11,183,929)</u>	<u>(1,383,604)</u>	<u>-</u>	<u>(12,567,533)</u>
Total building improvement and equipment - net	<u>9,521,080</u>			<u>9,743,834</u>
Depreciation for the six-month periods ended June 30,				
2016				<u>1,893,431</u>
2015				<u>1,383,604</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at December 31, 2015 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2016 Baht
Cost				
Building improvement	4,656,572	-	-	4,656,572
Office equipment	1,944,119	58,400	-	2,002,519
Vehicles	5,782,600	-	-	5,782,600
Total cost	<u>12,383,291</u>	<u>58,400</u>	<u>-</u>	<u>12,441,691</u>
Accumulated depreciation				
Building improvement	(1,665,627)	(466,187)	-	(2,131,814)
Office equipment	(1,409,569)	(175,557)	-	(1,585,126)
Vehicles	(1,261,446)	(575,100)	-	(1,836,546)
Total accumulated depreciation	<u>(4,336,642)</u>	<u>(1,216,844)</u>	<u>-</u>	<u>(5,553,486)</u>
Total building improvement and equipment - net	<u>8,046,649</u>			<u>6,888,205</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at December 31, 2014 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2015 Baht
Cost				
Building improvement	4,656,572	-	-	4,656,572
Office equipment	1,915,719	28,400	-	1,944,119
Vehicles	3,844,600	-	-	3,844,600
Total cost	<u>10,416,891</u>	<u>28,400</u>	<u>-</u>	<u>10,445,291</u>
Accumulated depreciation				
Building improvement	(728,129)	(464,896)	-	(1,193,025)
Office equipment	(1,032,966)	(199,700)	-	(1,232,666)
Vehicles	(415,006)	(381,300)	-	(796,306)
Total accumulated depreciation	<u>(2,176,101)</u>	<u>(1,045,896)</u>	<u>-</u>	<u>(3,221,997)</u>
Total building improvement and equipment - net	<u>8,240,790</u>			<u>7,223,294</u>
Depreciation for the six-month periods ended June 30,				
2016				<u>1,216,844</u>
2015				<u>1,045,896</u>

As at June 30, 2016 and December 31, 2015, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9.0 million and Baht 8.8 million, respectively. For the separate financial statements as at June 30, 2016 and December 31, 2015, there are building improvements and equipment items which have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 0.8 million and Baht 0.6 million, respectively.

11. INTANGIBLE ASSETS - NET

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at December 31, 2015	Additions	Amortization	Write-off/ Transfer out	Balance as at June 30, 2016
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset management	Indefinite*	-	100,000	-	-	100,000
Computer software	5 years	134,992	52,250	(21,892)	-	165,350
Total		<u>4,723,485</u>	<u>152,250</u>	<u>(21,892)</u>	<u>-</u>	<u>4,853,843</u>

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at December 31, 2014	Additions	Amortization	Write-off/ Transfer out	Balance as at June 30, 2015
		Baht	Baht	Baht	Baht	Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Computer software	5 years	124,814	71,800	(36,179)	-	160,435
Total		<u>4,713,307</u>	<u>71,800</u>	<u>(36,179)</u>	<u>-</u>	<u>4,748,928</u>

Amortization for the six-month periods ended June 30,

2016	<u>21,892</u>
2015	<u>36,179</u>

SEPARATE FINANCIAL STATEMENTS					
Useful lives	Balance as at December 31, 2015 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2016 Baht
Deferred license fees					
Derivatives business	Indefinite* 3,320,548	-	-	-	3,320,548
Computer software	5 years 1	-	-	-	1
Total	3,320,549	-	-	-	3,320,549

SEPARATE FINANCIAL STATEMENTS					
Useful lives	Balance as at December 31, 2014 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2015 Baht
Deferred license fees					
Derivatives business	Indefinite* 3,320,548	-	-	-	3,320,548
Computer software	5 years 1,602	-	(1,601)	-	1
Total	3,322,150	-	(1,601)	-	3,320,549

Amortization for the six-month periods ended June 30,

2016	-
2015	1,601

* Deferred license fees have indefinite useful lives as they have no expiring date and they are expected to contribute to the Company and its subsidiary's net cash inflows indefinitely.

As at June 30, 2016 and December 31, 2015, in the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items, which have been fully amortized but are still in use is Baht 7.53 million and Baht 7.51 million, respectively. For the separate financial statements as at June 30, 2016 and December 31, 2015, there are computer software items which have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 0.02 million.

12. DEFERRED INCOME TAX - NET

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	215,279	216,610	215,279	216,610
Allowance for impairment of investments	26,108,818	29,512,066	26,108,818	29,512,066
Employee benefit obligations	362,498	312,996	-	-
Unrealized loss on re-measuring trading investments	1,465,882	1,678,667	1,428,229	1,599,536
Unrealized loss on re-measuring available-for-sale investments	-	1,586,901	-	1,586,901
Tax loss carried forward	10,921,048	14,567,337	-	-
Unrealized loss on exchange rate	161,699	-	161,699	-
Other assets	10,357	10,357	10,357	10,357
Unrealized gain on transfer of business to an associated company	22,750,339	22,756,013	-	-
	<u>61,995,920</u>	<u>70,640,947</u>	<u>27,924,382</u>	<u>32,925,470</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	5,617,611	2,542,644	5,542,748	2,537,872
Unrealized gain on re-measuring available-for-sale investments	2,336,613	-	2,336,613	-
Unrealized gain on exchange rate	-	470,490	-	470,490
Amortization of license fees	895,903	848,850	664,109	632,055
Gain on remeasurement of defined benefit obligation	-	32,330	-	-
	<u>8,850,127</u>	<u>3,894,314</u>	<u>8,543,470</u>	<u>3,640,417</u>
Deferred tax assets - net	<u>53,145,793</u>	<u>66,746,633</u>	<u>19,380,912</u>	<u>29,285,053</u>

The movements of deferred income tax are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in other	June 30,
	2016	profit or loss	comprehensive	2016
	Baht	(see Note 29)	Income	Baht
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	(1,331)	-	215,279
Allowance for impairment of investments	29,512,066	(3,403,248)	-	26,108,818
Employee benefit obligations	312,996	49,502	-	362,498
Unrealized loss on re-measuring trading investments	1,678,667	(212,785)	-	1,465,882
Unrealized loss on re-measuring available-for-sale investments	1,586,901	-	(1,586,901)	-
Other assets	10,357	-	-	10,357
Tax loss carried forward of subsidiary	14,567,337	(3,646,289)	-	10,921,048
Unrealized loss on exchange rate	-	161,699	-	161,699
Unrealized gain on transfer of business to an associated company	22,756,013	(5,674)	-	22,750,339
	<u>70,640,947</u>	<u>(7,058,126)</u>	<u>(1,586,901)</u>	<u>61,995,920</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	2,542,644	3,074,967	-	5,617,611
Unrealized gain on re-measuring available-for-sale investments	-	-	2,336,613	2,336,613
Unrealized gain on exchange rate	470,490	(470,490)	-	-
Amortization of derivatives license	848,850	47,053	-	895,903
Gain on remeasurement of defined benefit obligation	32,330	(32,330)	-	-
	<u>3,894,314</u>	<u>2,619,200</u>	<u>2,336,613</u>	<u>8,850,127</u>
Deferred tax assets - net	<u>66,746,633</u>	<u>(9,677,326)</u>	<u>(3,923,514)</u>	<u>53,145,793</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2015	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive Income	As at June 30, 2015
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	-	-	216,610
Allowance for impairment of investments	32,378,201	(516,195)	-	31,862,006
Employee benefit obligations	233,378	76,550	-	309,928
Unrealized loss on re-measuring trading investments	169,477	1,672,410	-	1,841,887
Other assets	10,357	-	-	10,357
Tax loss carried forward of subsidiary	8,629,668	8,128,157	-	16,757,825
Unrealized loss on exchange rate	-	358,511	-	358,511
Unrealized gain on transfer of business to an associated company	22,767,392	(5,643)	-	22,761,749
	<u>64,405,083</u>	<u>9,713,790</u>	<u>-</u>	<u>74,118,873</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,682,404	1,765,109	-	3,447,513
Unrealized gain on re-measuring available-for-sale investments	-	-	1,442,302	1,442,302
Amortization of derivatives license	718,850	65,000	-	783,850
Gain on remeasurement of defined benefit obligation	-	-	32,330	32,330
	<u>2,401,254</u>	<u>1,830,109</u>	<u>1,474,632</u>	<u>5,705,995</u>
Deferred tax assets - net	<u>62,003,829</u>	<u>7,883,681</u>	<u>(1,474,632)</u>	<u>68,412,878</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2016	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at June 30, 2016
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	(1,331)	-	215,279
Allowance for impairment of investments	29,512,066	(3,403,248)	-	26,108,818
Unrealized loss on re-measuring trading investments	1,599,536	(171,307)	-	1,428,229
Unrealized gain on re-measuring available-for-sale investments	1,586,901	-	(1,586,901)	-
Unrealized loss on exchange rate	-	161,699	-	161,699
Other assets	10,357	-	-	10,357
	<u>32,925,470</u>	<u>(3,414,187)</u>	<u>(1,586,901)</u>	<u>27,924,382</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	2,537,872	3,004,876	-	5,542,748
Unrealized gain on re-measuring available-for-sale investments	-	-	2,336,613	2,336,613
Unrealized gain on exchange rate	470,490	(470,490)	-	-
Amortization of derivatives license	632,055	32,054	-	664,109
	<u>3,640,417</u>	<u>2,566,440</u>	<u>2,336,613</u>	<u>8,543,470</u>
Deferred tax assets - net	<u>29,285,053</u>	<u>(5,980,627)</u>	<u>(3,923,514)</u>	<u>19,380,912</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2015	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at June 30, 2015
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	216,610	-	-	216,610
Allowance for impairment of investments	32,378,201	(516,195)	-	31,862,006
Unrealized loss on re-measuring trading investments	169,477	1,672,410	-	1,841,887
Unrealized loss on exchange rate	-	358,511	-	358,511
Other assets	10,357	-	-	10,357
	<u>32,774,645</u>	<u>1,514,726</u>	<u>-</u>	<u>34,289,371</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	1,682,404	1,765,109	-	3,447,513
Unrealized gain on re-measuring available-for-sale investments	-	-	1,442,302	1,442,302
Amortization of derivatives license	532,055	50,000	-	582,055
	<u>2,214,459</u>	<u>1,815,109</u>	<u>1,442,302</u>	<u>5,471,870</u>
Deferred tax assets - net	<u>30,560,186</u>	<u>(300,383)</u>	<u>(1,442,302)</u>	<u>28,817,501</u>

For the six-month periods ended June 30, 2016 and 2015, the Company has unused tax losses carry forward amounting to Baht 50.68 million and Baht 59.33 million, respectively, which will be expired within 5 years.

For the six-month periods ended June 30, 2016 and 2015, the subsidiary reviewed the carrying amount of deferred tax assets and recognized deferred tax assets of Baht 11.01 million and Baht 16.83 million, respectively, because the subsidiary expects to have sufficient future taxable profit will be available against which the temporary differences can be utilized of Baht 55.07 million and Baht 103.44 million, respectively, and unused tax loss carry forward is Baht 3.42 million and Baht 3.91 million, respectively, which will be expired within 5 years.

13. ASSETS CLASSIFIED AS HELD FOR SALE - NET

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016	As at December 31, 2015
	Baht	Baht
Land	739,800	739,800
	<u>739,800</u>	<u>739,800</u>
<u>Less</u> Allowance for impairment	(51,786)	(51,786)
Total assets classified as held for sale - net	<u>688,014</u>	<u>688,014</u>

14. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Accrued interest income	756,601	1,214,030	496,344	1,077,356
Prepaid insurance	990,253	129,418	371,480	129,418
Prepaid repair and maintenance	653,197	106,065	1,715	12,122
Prepaid SET fee	151,244	109,693	151,244	109,693
Prepaid membership	1,465,530	16,345	137,907	16,345
Prepaid other	217,581	431,101	187,416	98,634
Other deposits	1,327,758	1,133,228	981,008	786,878
Fund management fee and service income receivables	9,577,415	8,214,995	-	-
Corporate income tax claim receivable	9,179,531	7,854,985	2,475,462	2,543,703
Advance payment for investment in Myanmar	52,525,050	-	52,525,050	-
Others	350,810	881,205	320,591	763,753
Total	<u>77,194,970</u>	<u>20,091,065</u>	<u>57,648,217</u>	<u>5,537,902</u>

15. OTHER BORROWINGS

As at June 30, 2016 and December 31, 2015, the Company has other borrowings as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
As at June 30, 2016					
Residual maturities					
	Interest rate	Within 1 year	1 - 5 years	Over 5 years	Total
	per annum	Baht	Baht	Baht	Baht
	(%)				
<u>Other borrowings</u>					
Bill of exchange	3.40 - 3.50	<u>641,781,364</u>	<u>-</u>	<u>-</u>	<u>641,781,364</u>
Total other borrowings		<u>641,781,364</u>	<u>-</u>	<u>-</u>	<u>641,781,364</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
As at December 31, 2015					
Residual maturities					
	Interest rate	Within 1 year	1 - 5 years	Over 5 years	Total
	per annum	Baht	Baht	Baht	Baht
	(%)				
<u>Other borrowings</u>					
Bill of exchange	3.40 - 3.60	<u>969,504,592</u>	<u>-</u>	<u>-</u>	<u>969,504,592</u>
Total other borrowings		<u>969,504,592</u>	<u>-</u>	<u>-</u>	<u>969,504,592</u>

16. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016 Baht	As at December 31, 2015 Baht	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Post-employment benefits obligation	6,171,135	5,445,935	4,988,105	4,495,476
Unused paid vacation leave	1,235,707	896,108	606,248	443,240
	<u>7,406,842</u>	<u>6,342,043</u>	<u>5,594,353</u>	<u>4,938,716</u>

Post-employment benefits obligation

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan, which are considered as unfunded defined benefit plans.

Amounts recognized in the statements of comprehensive income in respect of the post-employment benefits plans are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30, "Unaudited"		SEPARATE FINANCIAL STATEMENTS For the three-month periods ended June 30, "Unaudited"	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current service cost	327,041	366,069	217,431	272,149
Interest cost	35,558	15,456	28,883	14,874
	<u>362,599</u>	<u>381,525</u>	<u>246,314</u>	<u>287,023</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		SEPARATE FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current service cost	654,084	560,392	434,863	389,217
Interest cost	71,116	54,874	57,766	46,566
	<u>725,200</u>	<u>615,266</u>	<u>492,629</u>	<u>435,783</u>

Movements in the present value of the post-employment benefits obligation are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	5,445,935	3,844,803	4,495,476	3,091,722
Current service cost	654,084	560,392	434,863	389,217
Interest cost	71,116	54,874	57,766	46,566
Actuarial (gain) loss in statement of profit of loss and other comprehensive income				
- from experience adjustment	-	175,774	-	292,658
- from changes in demographic assumption	-	(134,467)	-	(53,497)
- from changes in financial assumption	-	329,235	-	293,032
Ending balance of post-employment benefits obligation	6,171,135	4,830,611	4,988,105	4,059,698

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at June 30, 2016 and December 31, 2015 are as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% per annum)	
	June 30, 2016	December 31, 2015
Financial assumptions		
Discount rate	2.57 - 2.81	2.57 - 2.81
Employee turnover rate	7.0 - 31.0	7.0 - 31.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	5.0 - 6.0	5.0 - 6.0

Significant actuarial assumptions for the determination of the defined benefit obligation are expected salary increase rate, mortality rate and discount rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Salary incremental rates - 1% increase	473,783	434,109	357,359	336,683
Salary incremental rates - 1% decrease	(431,930)	(395,602)	(327,120)	(308,101)
Life expectancy - 1% increase	42,602	39,347	36,131	33,932
Life expectancy - 1% decrease	(42,276)	(39,042)	(35,849)	(33,666)
Discount rate - 1% increase	(411,972)	(378,347)	(311,413)	(294,163)
Discount rate - 1% decrease	460,470	422,958	346,690	327,495

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

17. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Withholding tax payable	471,511	820,273	276,980	553,857
Value-added-tax payable	775,206	597,506	207,032	230,681
Others payable	8,777,375	8,926,123	6,364,605	6,205,285
Amounts of capital reduction not redeemed by shareholders	5,540,317	5,490,678	5,540,317	5,490,678
Liabilities under finance lease	40,906	63,871	40,906	63,871
Others	1,075,510	2,249,980	982,210	2,153,768
Total	<u>16,680,825</u>	<u>18,148,431</u>	<u>13,412,050</u>	<u>14,698,140</u>

18. SHARE CAPITAL

As at June 30, 2016 and December 31, 2015, the Company has issued and paid-up share capital of Baht 653,868,463.

Net asset value

As at June 30, 2016 and December 31, 2015, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, is as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Net asset value (per share)	1.80	1.79	1.82	1.82

19. DIVIDEND

On April 29, 2016, the ordinary shareholders' meeting of the year 2016 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2015 to the shareholders at the rate of Baht 0.09 per share equalling to Baht 117.69 million of which Baht 0.04 per share or totally Baht 52.30 million was paid as an interim dividend on September 24, 2015. Therefore, the remaining dividend to be paid for the year 2015 is Baht 0.05 per share equalling to Baht 65.37 million. The Company paid such dividend to the shareholders on May 13, 2016.

On August 27, 2015, the Board of Director Meeting has passed the resolution to approve the interim dividend payment for the operation for the six- month period ended June 30, 2015 to the shareholders at the rate of Baht 0.04 per share equalling to Baht 52.30 million. The Company paid such dividend to the shareholders on September 24, 2015.

On May 20, 2015, the ordinary shareholders' meeting of the year 2015 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2014 to the shareholders at the rate of Baht 0.05 per share equalling to Baht 65.36 million. The Company paid such dividend to the shareholders on May 29, 2015.

20. CAPITAL MANAGEMENT

The objectives of capital management of the Company and its subsidiary are to sustain the Company and its subsidiary's ability to continue as a going concern in order to generate returns to the shareholders and benefits for other stakeholders and also to maintain an optimal capital structure.

In addition, the Company and its subsidiary have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission and Thailand Clearing House Co., Ltd. ("TCH").

However, since May 2, 2013 the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2557 regarding "Ongoing capital adequacy of some specific intermediaries".

As at June 30, 2016 and December 31, 2015, the Company is able to maintain its net liquid capital more than the required condition.

21. PREMIUM ON SHARE CAPITAL

The share premium account is set up under the provisions of Section 51 of the Public Companies Act. B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

22. STATUTORY RESERVE

Under the Public Limited Company Act. B.E. 2535, section 116, the Company is required to set aside as a statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The statutory reserve is not available for dividend distribution.

As at June 30, 2016 and December 31, 2015, the Company has statutory reserve at the rate of 11.51 percent of authorized share capital.

23. FEE AND SERVICE INCOME

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	28,985,839	27,979,503	-	-
Total	<u>28,985,839</u>	<u>27,979,503</u>	<u>-</u>	<u>-</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	57,351,877	54,034,235	-	-
Total	<u>57,351,877</u>	<u>54,034,235</u>	<u>-</u>	<u>-</u>

24. FEE AND SERVICE EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	369,358	124,658	-	-
Referral expense	7,413,403	8,096,528	-	-
Others	295,556	153,707	81,290	259,773
Total	<u>8,078,317</u>	<u>8,374,893</u>	<u>81,290</u>	<u>259,773</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	738,715	420,496	-	-
Referral expense	17,635,895	16,637,442	-	-
Others	1,621,443	295,405	159,537	414,859
Total	<u>19,996,053</u>	<u>17,353,343</u>	<u>159,537</u>	<u>414,859</u>

25. DIRECTORS AND MANAGERMENTS' REMUNERATION

Directors represent 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. Directors' remuneration for the year 2016 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 29, 2016 and on April 20, 2016, respectively. Directors' remuneration for the year 2015 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on May 20, 2015 and on April 20, 2015, respectively.

26. OTHER EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, "Unaudited"		For the three-month periods ended June 30, "Unaudited"	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Entertainment expenses	144,475	26,405	20,979	-
Publication and marketing expenses	149,209	183,849	27,820	40,660
Traveling expenses	218,390	183,664	134,943	111,487
SET Fee	911,361	1,207,858	911,361	1,207,858
Stationery and office supply	509,421	210,799	437,136	62,767
Taxation	152,243	52,131	149,043	49,831
Unrealized loss from exchange rate	15,492	1,788,484	15,492	1,788,484
Meeting and conference	317,634	980,066	314,458	979,209
Others	1,413,249	1,667,475	909,620	991,745
Total	<u>3,831,474</u>	<u>6,300,731</u>	<u>2,920,852</u>	<u>5,232,041</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Entertainment expenses	315,122	68,241	69,000	1,167
Publication and marketing expenses	336,207	313,149	32,042	40,660
Traveling expenses	384,645	316,566	255,974	218,046
SET Fee	1,400,570	1,751,597	1,400,570	1,751,597
Stationery and office supply	630,853	355,104	448,414	104,364
Taxation	154,125	54,227	150,025	50,460
Unrealized loss from exchange rate	3,160,943	1,792,417	3,160,943	1,792,417
Meeting and conference	330,826	987,229	321,789	984,961
Others	2,593,162	2,381,858	1,392,289	1,249,677
Total	<u>9,306,453</u>	<u>8,020,388</u>	<u>7,231,046</u>	<u>6,193,349</u>

27. PROVIDENT FUND

The Company and its subsidiary set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiary match the individuals' contributions. The provident fund are managed by MFC Asset Management Public Company Limited, which granted the license by Government to be an authorized fund manager in accordance with the Provident Fund Act B.E. 2530.

For the three-month periods ended June 30, 2016 and 2015, the Company has contributed Baht 0.20 million and Baht 0.16 million, respectively, to the fund and the subsidiary has contributed Baht 0.17 million and Baht 0.14 million, respectively, to the fund.

For the six-month periods ended June 30, 2016 and 2015, the Company has contributed Baht 0.39 million and Baht 0.32 million, respectively, to the fund and the subsidiary has contributed Baht 0.35 million and Baht 0.28 million, respectively, to the fund.

28. IMPAIRMENT LOSS FROM SECURITIES (REVERSAL)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Impairment loss from equity securities (reversal)	(1,132,164)	(3,823,210)	(1,132,164)	(3,823,210)
Impairment loss on investment in subsidiary (reversal)	-	-	(9,173,560)	(20,612,778)
Total	<u>(1,132,164)</u>	<u>(3,823,210)</u>	<u>(10,305,724)</u>	<u>(24,435,988)</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Impairment loss from equity securities (reversal)	(2,174,916)	(4,241,363)	(2,174,916)	(4,241,363)
Impairment loss on investment in subsidiary (reversal)	-	-	(14,841,340)	(27,705,717)
Total	<u>(2,174,916)</u>	<u>(4,241,363)</u>	<u>(17,016,256)</u>	<u>(31,947,080)</u>

29. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Income tax - income (expenses)	(3,761,308)	4,043,065	(1,477,119)	(5,912,540)
Total	<u>(3,761,308)</u>	<u>4,043,065</u>	<u>(1,477,119)</u>	<u>(5,912,540)</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Income tax -income (expenses) (see Note 12)	(9,677,326)	7,883,681	(5,980,627)	(300,383)
Total	<u>(9,677,326)</u>	<u>7,883,681</u>	<u>(5,980,627)</u>	<u>(300,383)</u>

Reconciliation of income tax and the results of the accounting profit multiplied by the income tax rate are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Income before tax	33,701,497	36,181,700	16,141,122	25,049,723
Tax rate	<u>20%</u>	<u>20%</u>	<u>20%</u>	<u>20%</u>
The result of the account profit multiplied by the income tax rate - expenses	(6,740,299)	(7,236,340)	(3,228,224)	(5,009,945)
Tax effect of the non-deductible income and expense	(274,897)	120,848	(93,109)	(3,447)
Use of tax loss carry forward	3,764,842	3,867,998	-	-
Effect of the temporary difference not recognized as deferred tax assets	4,283,773	4,306,330	(57,309)	4,306,330
Effect of loss carried forward not recognized as deferred tax assets	(4,794,727)	(5,205,478)	1,901,523	(5,205,478)
Deferred tax income relating to the deductible of temporary difference	<u>-</u>	<u>8,189,707</u>	<u>-</u>	<u>-</u>
Income tax -income (expenses)	<u>(3,761,308)</u>	<u>4,043,065</u>	<u>(1,477,119)</u>	<u>(5,912,540)</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30, 2016		For the six-month periods ended June 30, 2015	
	Baht	Baht	Baht	Baht
Income before tax	59,989,934	47,748,975	54,458,889	141,461,505
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied by the income tax rate - expenses	(11,997,987)	(9,549,795)	(10,891,778)	(28,292,301)
Tax effect of the non-deductible income and expense	3,555,489	5,681,196	6,145,979	28,297,343
Use of tax loss carry forward	3,691,025	3,867,998	-	-
Effect of the temporary difference not recognized as deferred tax assets	(131,126)	5,754,525	(131,126)	5,754,525
Effect of loss carried forward not recognized as deferred tax assets	(4,794,727)	(6,059,950)	(1,103,702)	(6,059,950)
Deferred tax income relating to the deductible of temporary difference	-	8,189,707	-	-
Income tax - income (expenses) (see Note 12)	<u>(9,677,326)</u>	<u>7,883,681</u>	<u>(5,980,627)</u>	<u>(300,383)</u>

30. RELATED PARTY TRANSACTIONS

The Company and its subsidiary have significant business transactions with related persons and companies that related by way of common shareholders and/or common directors. The Company's management believes that the pricing policy the Company charged to related parties were the arm's length price applied in the normal course of business. These transactions can be summarized as follows:

Balances with related parties as at June 30, 2016 and December 31, 2015 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016 Baht	As at December 31, 2015 Baht	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Subsidiary				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary - net (see Note 9)	-	-	101,729,725	86,888,385
Investment in private fund managed by Subsidiary	60,233,037	58,405,520	60,233,037	58,405,520
Accrued private fund management fee expenses	-	-	26,238	26,917
Lumpinee Asset Management Co., Ltd.				
Investment in subsidiary - net (see Note 9)	-	-	25,000,000	25,000,000
Other receivable	-	-	-	139,620
Associate				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 9)	1,341,775,294	1,328,467,230	1,244,095,520	1,244,095,520
Other payables	223,572	1,219,674	223,572	1,219,674
Cash balance for securities trading	11,447,846	10,647,617	11,447,846	10,647,617
Beacon Offshore Ltd.				
Investment in Bill of Exchange	-	17,387,941	-	17,387,941

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2016 Baht	As at December 31, 2015 Baht	As at June 30, 2016 Baht	As at December 31, 2015 Baht
Related companies				
Under common directors				
Thanh Cong Securities Company J.S.C.				
Investment in ordinary shares - net	104,573,926	101,958,477	104,573,926	101,958,477
Other receivable	24,596	11,040	24,596	11,040
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	52,525,050	-	52,525,050	-
Under joint control				
Phra kanong Land Co., Ltd				
Investment in Bill of Exchange	498,740,686	479,641,096	498,740,686	479,641,096
Investment in Preferred stock	5,000	5,000	5,000	5,000

Significant transactions with related parties for the three-month periods ended June 30, 2016 and 2015 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”		
	2016 Baht	2015 Baht	2016 Baht	2015 Baht	
Subsidiary					
Solaris Asset Management Co., Ltd.					
Private fund management fee	-	-	78,081	249,782	At the rate determined under the contract at 0.2% of net asset value per year
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	44,100	-	At the rate determined under the contract
Associates					
KT ZMICO Securities Co., Ltd.					
Service expenses	592,500	1,462,500	592,500	1,462,500	At the rate determined under the contract (see Note 31.1)
Research service income	750,000	750,000	750,000	750,000	At the rate determined under the contract (see Note 31.3)
Other expense	-	22,470	-	22,470	Actual expense incurred
Other fee expenses	328,915	-	328,915	-	At the rate determined under the agreement
Beacon Offshore Ltd.					
Interest received from Bill of Exchange	320,887	1,204,317	320,887	1,204,317	At the rate determined under the agreement
Investment in Bill of Exchange	17,628,489	-	17,628,489	-	Investment value
Withdrawal in Bill of Exchange	35,040,026	9,990,000	35,040,026	9,990,000	Investment value

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the three-month periods ended June 30, “Unaudited”		For the three-month periods ended June 30, “Unaudited”		
	2016	2015	2016	2015	
	Baht	Baht	Baht	Baht	
Related company					
Related with subsidiary and associate					
Rental income	-	91,575	-	91,575	At the rate determined under the contract of Baht 30,525 Per month, cancelled the agreement on January 1, 2016
Selling agent fee expense	282,184	255,363	282,184	255,363	At the rate determined under the agreement
Service fee expenses	199,800	199,800	199,800	199,800	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	155	-	155	-	At the rate determined under the agreement

Significant transactions with related parties for the six-month periods ended June 30, 2016 and 2015 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the six-month Periods ended June 30,		For the six-month Periods ended June 30,		
	2016	2015	2016	2015	
	Baht	Baht	Baht	Baht	
Subsidiary					
Solaris Asset Management Co., Ltd.					
Investment in private fund managed by subsidiary	-	200,000,000	-	200,000,000	Investment value
Withdrawal in private fund managed by subsidiary	-	50,000,000	-	50,000,000	Investment value
Private fund management fee	-	-	153,117	398,903	At the rate determined under the contract at 0.2% of net asset value per year

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month Periods ended June 30,		SEPARATE FINANCIAL STATEMENTS For the six-month Periods ended June 30,		Pricing policy
	2016 Baht	2015 Baht	2016 Baht	2015 Baht	
Lumpini Asset Management					
Rental fee income	-	-	44,100	-	At the rate determined under the contract
Associates					
KT ZMICO Securities Co., Ltd.					
Dividend received	-	-	21,896,272	141,494,760	2016: 128,801,600 Share 0.17 Baht/Share 2015: 128,631,600 Share 1.10 Baht/Share
Service expenses	1,185,000	2,925,000	1,185,000	2,925,000	At the rate determined under the contract (see Note 31.1)
Research service income	1,500,000	1,500,000	1,500,000	1,500,000	At the rate determined under the contract (see Note 31.3)
Other fee expenses	328,915	272,903	328,915	272,903	At the rate determined under the contract
Other expenses	-	22,470	-	22,470	Actual expense incurred
Beacon Offshore Ltd.					
Interest received from Bill of exchange	542,239	2,030,384	542,239	2,030,384	At the rate determined under the agreement
Investment in Bill of exchange	35,040,026	6,660,000	35,040,026	6,660,000	Investment value
Withdrawal in Bill of Exchange	52,230,163	9,990,000	52,230,163	9,990,000	Investment value
Related with subsidiary and associate					
Rental income	-	183,150	-	183,150	At the rate determined under the contract
Selling agent fee expense	741,480	661,558	741,480	661,558	At the rate determined under the agreement.
Service fee expenses	399,600	399,600	399,600	399,600	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	2,721	-	2,721	-	At the rate determined under the agreement

For the three-month and six-month periods ended June 30, 2016 and 2015, compensations paid to key management personnel under TAS 24 (Revised 2015) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	Periods ended June 30,		periods ended June 30,	
“Unaudited”		“Unaudited”		
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Short-term employee benefits	1,780,943	1,699,375	941,865	917,134
Post-employment benefits	182,253	200,947	152,729	169,414
Total	<u>1,963,196</u>	<u>1,900,322</u>	<u>1,094,594</u>	<u>1,086,548</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month		For the six-month	
	periods ended June 30,		periods ended June 30,	
2016		2015		
Baht		Baht		
Short-term employee benefits	3,561,886	3,386,250	1,883,730	1,826,767
Post-employment benefits	364,506	319,469	305,458	272,644
Total	<u>3,926,392</u>	<u>3,705,719</u>	<u>2,189,188</u>	<u>2,099,411</u>

31. COMMITMENTS

Transactions with related parties

31.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of Accounting, Operating, Information technology including information system development and technical support, Compliance, Human Resource management, General Support and General management. The term of agreement is one year and will be automatically extended one year by payment in amount of Baht 150,000 per month unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time. Subsequently, on June 1, 2014, the Company made the agreement to change the fee to Baht 197,500 per month from June 1, 2014 to May 31, 2015. The agreement is automatically extended on an annual basis.

On August 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing management service of operating and corporate secretary. The term of agreement is one year starting from August 1, 2013 to July 31, 2014 and being extended for another three months of which the Company pays monthly fee and the rate of Baht 290,000. Subsequently on October 31, 2014 the Company extended the agreement for another 14 months starting from November 1, 2014 to December 31, 2015. However, on January 1, 2016 the Company cancelled the agreement.

- 31.2 On October 17, 2012, the Company entered into an agreement with Solaris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company's fund for one year. Contract, which will be expired on 17 October 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund.
- 31.3 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 31.4 On January 12, 2016, the Company entered into an agreement with KTZ Ruby Hill Securities Company Limited. Such company shall act as the investment advisory, Brokerage and Dealing to the Company for the purpose of the securities trade in both Yangon Stock Exchange or YSX and OTC market. The term of agreement is 2 years and can be extended if it is agreed by both parties. The Company agreed to pay fees at rated determined under the agreement.

Transactions with other business parties

- 31.5 As at June 30, 2016 and December 31, 2015, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building, equipment and vehicle.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at June 30, 2016	As at December 31, 2015	As at June 30, 2016	As at December 31, 2015
Within 1 year	3.4	3.3	2.3	2.3
Over 1 year to 5 years	5.3	7.0	3.6	4.7
Total	8.7	10.3	5.9	7.0

- 31.6 On April 29, 2014, the Company entered into fee allocation agreement with Mac Capital Advisors Limited, under which the Company agreed to appoint that company as the agent to introduce its clients to the Company as a financial advisor. The agreement will be expired on December 31, 2016. The Company must pay advisory fees to that company as a percentage of the fee income earned from the introduction of that company.
- 31.7 As at June 30, 2016, the Company has commitment to invest in ordinary shares of a foreign company amounting to USD 1,000,000 which such foreign company call for partial capital of USD 700,000. The remaining of the capital commitment is USD 300,000. The Company already paid the remaining of the capital commitment on July 6, 2016.

32. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the three-month and the six-month periods ended June 30, 2016 and 2015 are as follows:

(Unit: Thousand Baht)

For the three-month period ended June 30, 2016

“Unaudited”

	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial statement
Revenue from external customers	15,269	28,986	21,672	-	65,927
Inter - segment revenues	-	-	-	-	-
Total revenues	<u>15,269</u>	<u>28,986</u>	<u>21,672</u>	<u>-</u>	<u>65,927</u>
Segment income	15,269	10,826	21,672	-	47,767
Unallocated income and expenses :					
Interest and dividend incomes					3,792
Gain on transfer of business to the associated company					14
Other income					2,439
Servicing and administrative expenses					(20,311)
Income tax-expense					<u>(3,761)</u>
Net profit					<u>29,940</u>

(Unit: Thousand Baht)

For the three-month period ended June 30, 2015

“Unaudited”

	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial statement
Revenue from external customers	24,216	27,980	17,486	-	69,682
Inter - segment revenues	-	-	-	-	-
Total revenues	<u>24,216</u>	<u>27,980</u>	<u>17,486</u>	<u>-</u>	<u>69,682</u>
Segment income	24,216	10,048	17,486	-	51,750
Unallocated income and expenses :					
Interest and dividend incomes					1,930
Gain on transfer of business to the associated company					14
Other income					888
Servicing and administrative expenses					(18,400)
Income tax-income					<u>4,043</u>
Net profit					<u>40,225</u>

(Unit: Thousand Baht)

For the six-month period ended June 30, 2016					
	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial statement
Revenue from external customers	23,869	57,352	43,439	-	124,660
Inter - segment revenues	-	-	-	-	-
Total revenues	23,869	57,352	43,439	-	124,660
Segment income	23,869	17,047	43,439	-	84,355
Unallocated income and expenses :					
Interest and dividend incomes					12,963
Gain on transfer of business to the associated company					28
Other income					3,275
Servicing and administrative expenses					(40,631)
Income tax-expense					(9,677)
Net profit					50,313

(Unit: Thousand Baht)

For the six-month period ended June 30, 2015					
	Securities segment	Assets Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial statement
Revenue from external customers	60,433	54,034	(5,766)	-	108,701
Inter - segment revenues	-	-	-	-	-
Total revenues	60,433	54,034	(5,766)	-	108,701
Segment income (loss)	60,433	18,521	(5,766)	-	73,188
Unallocated income and expenses :					
Interest and dividend incomes					3,458
Gain on transfer of business to the associated company					28
Other income					1,765
Servicing and administrative expenses					(30,691)
Income tax-income					7,884
Net profit					55,632

Assets classified by segment of the Company as at June 30, 2016 and December 31, 2015 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Non-Performing Assets Management segment	Unallocated assets	Consolidated Financial statement
Assets by segment						
As at June 30, 2016	1,356,409	110,326	1,403,818	24,669	291,397	3,186,619
As at December 31, 2015	1,340,037	98,706	1,575,003	25,011	461,957	3,500,714

33. RISK MANAGEMENT

33.1 Liquidity risk

The Company

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 18/2549 regarding “Net Liquid Capital Ratio - NCR”, securities company is required to maintain its net liquid capital at the end of working day not less than Baht 15 million and not less than 7% of general liabilities.

The Company was granted securities business licenses of derivatives agent under the Derivative Act. The Company has to maintain its net liquid capital at the end of working day at least Baht 25 million and at least 7% of general liabilities and assets held as collateral except in case the Company discontinued its derivatives agent business and notified to the Office of the Securities and Exchange Commission, the Company has to maintain its net liquid capital as mentioned in the above paragraph.

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Ordinary Members” regarding the “Qualification of Membership”, the Ordinary Membership is required to have owners’ equity at least Baht 100 million for membership operating especially in derivatives business.

However, as at June 30, 2016 and December 31, 2015, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note 1).

Also, according to the Notification of the Securities and Exchange Commission No. KorKhor. 7/2551, Re: Determination of Paid-Up Registered Capital of Securities Company, the securities company licensed to undertake securities business in the category of securities brokerage, excluding the securities company licensed to undertake securities brokerage of debt securities or investment units, shall have paid-up registered capital of not less than Baht 500 million, effective from January 1, 2012 onwards. The Company has already proceeded accordingly.

Since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 4/2557 regarding “Ongoing capital adequacy of some specific intermediaries”.

However, as at June 30, 2016, the Company is able to maintain its net liquid capital more than the condition.

Subsidiary

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 20/2552, regarding “The Capital Adequacy of Management Company”, the asset management company has to maintain owners’ equity at least Baht 20 million for mutual fund management business, at least Baht 20 million for private fund management business with provident fund management and at least Baht 10 million for private fund management business without provident fund management. Under the Notification of the Office of the Securities and Exchange Commission No. ThorNor. 42/2552, regarding “The Responsibility Insurance of Management Company and the Notification for Capital Adequacy of Management Company”, the warning level at Baht 30 million for mutual fund management business, the warning level at Baht 30 million for private fund management business with provident fund and the warning level at Baht 15 million for private fund management business without provident fund management. In case the subsidiary cannot maintain the capital adequacy over the warning level, the subsidiary has to report to the Office of the Securities and Exchange Commission including the plan to recover its owners’ equity to the warning level.

As at June 30, 2016, the subsidiary's financial statements showed owners' equity amounting of Baht 101.73 million which is in accordance with the SEC's regulations.

The periods of time from the end of reporting period to the maturity dates of financial instruments as of June 30, 2016 and December 31, 2015 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at June 30, 2016

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not Limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	205	-	-	-	-	-	205
Deposits at financial institutions	-	26	50	-	-	-	76
Securities business receivables and accrued interest receivables	-	10	-	-	-	63	73
Investments - net	-	918	-	27	459	-	1,404
Total	205	954	50	27	459	63	1,758
Financial liabilities							
Securities business payable	-	17	-	-	-	-	17
Other borrowing	-	642	-	-	-	-	642
Total	-	659	-	-	-	-	659

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	405	-	-	-	-	-	405
Deposit at financial institution	-	26	52	-	-	-	78
Securities business receivables	-	8	-	-	-	63	71
Investments - net	-	1,035	84	27	429	-	1,575
Total	405	1,069	136	27	429	63	2,129
Financial liabilities							
Securities business payable	-	8	-	-	-	-	8
Other borrowing	-	970	-	-	-	-	970
Total	-	978	-	-	-	-	978

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2016

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not Limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	136	-	-	-	-	-	136
Deposits at financial institutions	-	-	50	-	-	-	50
Securities business receivables and accrued interest receivables	-	10	-	-	-	63	73
Investments - net	-	918	-	27	453	-	1,398
Total	136	928	50	27	453	63	1,657
Financial liabilities							
Securities business payable	-	17	-	-	-	-	17
Other borrowing	-	642	-	-	-	-	642
Total	-	659	-	-	-	-	659

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December, 2015

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	344	-	-	-	-	-	344
Deposit at financial institution	-	-	52	-	-	-	52
Securities business receivables	-	8	-	-	-	63	71
Investments - net	-	1,035	84	27	426	-	1,572
Total	344	1,043	136	27	426	63	2,039
Financial liabilities							
Securities business payable	-	8	-	-	-	-	8
Other borrowing	-	970	-	-	-	-	970
Total	-	978	-	-	-	-	978

33.2 Significant financial instruments risk

As at June 30, 2016 and December 31, 2015, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

33.2.1 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 subsidiary and their cash flows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2016

Outstanding balances of net financial instruments

Reprising or maturity dates

	Floating interest rate	Reprising or maturity dates					No interest	Total	Interest rate (Percent)	
		At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables			Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	167	-	-	-	-	-	38	205	0.30 - 1.70	
Deposit at financial institution	-	-	26	50	-	-	-	76		1.60 - 13.00
Securities business receivables	-	-	10	-	-	63	-	73		
Investments - net	-	-	918	27	-	-	459	1,404		
Total	167	-	954	77	-	63	497	1,758		
Financial liabilities										
Securities business payable	-	-	17	-	-	-	-	17		
Other borrowing	-	-	642	-	-	-	-	642		3.40 - 3.50
Total	-	-	659	-	-	-	-	659		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2015

Outstanding balances of net financial instruments

Reprising or maturity dates

	Floating interest rate	Reprising or maturity dates					No interest	Total	Interest rate (Percent)	
		At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables			Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	368	-	-	-	-	-	37	405	0.38 - 1.10	-
Deposit at financial institution	-	-	26	52	-	-	-	78	-	0.90 - 13.00
Securities business receivables	-	-	8	-	-	63	-	71	-	-
Investments - net	-	-	1,035	84	27	-	429	1,575	-	-
Total	368	-	1,069	136	27	63	466	2,129		
Financial liabilities										
Securities business payable	-	-	8	-	-	-	-	8	-	-
Other borrowing	-	-	970	-	-	-	-	970	-	3.40 - 3.60
Total	-	-	978	-	-	-	-	978		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2016

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Over performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	104	-	-	-	-	-	32	136	0.30 - 1.70	
Deposit at financial institution	-	-	-	50	-	-	-	50		13.00
Securities business receivables	-	-	10	-	-	63	-	73		
Investments - net	-	-	918	27	-	-	453	1,398		
Total	104	-	928	77	-	63	485	1,657		
Financial liabilities										
Securities business payable	-	-	17	-	-	-	-	17		
Other borrowing	-	-	642	-	-	-	-	642		3.40 - 3.50
Total	-	-	659	-	-	-	-	659		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2015

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Over performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	315	-	-	-	-	-	29	344	0.38 - 1.10	-
Deposit at financial institution	-	-	-	52	-	-	-	52	-	0.90 - 13.00
Securities business receivables	-	-	8	-	-	63	-	71	-	-
Investments - net	-	-	1,035	84	27	-	426	1,572	-	-
Total	315	-	1,043	136	27	63	455	2,039		
Financial liabilities										
Securities business payable	-	-	8	-	-	-	-	8	-	-
Other borrowing	-	-	970	-	-	-	-	970	-	3.40 - 3.60
Total	-	-	978	-	-	-	-	978		

The average yield on average financial asset balances for interests bearing financial instruments are presented in the following table:

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at June 30, 2016

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	236,437,746	1,080,830	0.91
Deposit at financial institution	76,419,336	3,453,110	9.04
Investment in debt	1,000,181,909	27,603,010	5.52
Securities business receivables	13,171,298	-	-
Financial liabilities			
Securities business payable	8,619,227	-	-
Other borrowing	723,333,333	13,201,979	3.65

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2015

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	225,656,562	1,859,297	0.82
Deposit at financial institution	85,654,955	4,659,397	5.44
Investment in debt	804,460,190	51,395,648	6.39
Securities business receivables	15,044,156	-	-
Financial liabilities			
Securities business payable	7,573,284	-	-
Other borrowing	496,250,000	16,825,845	3.39

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS
As at June 30, 2016

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	177,201,132	940,269	1.06
Deposit at financial institution	50,787,124	3,187,154	12.55
Investment in debt	1,000,181,909	27,603,010	5.52
Securities business receivables	13,171,298	-	-
Financial liabilities			
Securities business payable	8,619,227	-	-
Other borrowing	723,333,333	13,201,979	3.65

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2015

Financial Instruments	Average balance	Interest income	Average yield (Percent)
Financial assets			
Cash and cash equivalents	172,788,782	1,738,317	1.01
Deposit at financial institution	63,816,069	4,110,505	6.44
Investment in debt	804,460,190	51,395,648	6.39
Securities business receivables	15,044,156	-	-
Financial liabilities			
Securities business payable	7,573,284	-	-
Other borrowing	496,250,000	16,825,845	3.39

33.2.2 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 subsidiary to incur a financial loss. The financial assets of the Company and its subsidiary are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statements of financial position.

33.2.3 Foreign exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company expects that there may be an effect from changes in exchange rates resulting from a portion of assets in foreign currencies which are not hedged.

As at June 30, 2016, the Company had unhedged foreign currency - denominated assets as follows:

Asset	Foreign currency	Amount (‘000)	Exchange rate (Baht per foreign exchange rate) as at June 30, 2016
Certificate of deposit	Vietnamese VND	32,000,000	0.0016
Ordinary shares			
EDL-GEN	Lao People’s Democratic Republic LAK	8,325,774	0.0043
AMC III	United States USD	700	34.9233

33.2.4 Market situation risk

The Company’s exposure to market situation risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of the Company’s investments. However, the Company manages such risk at acceptable levels through risk management policies as well as a risk monitoring function.

33.2.5 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in 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. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

33.2.5.1 Certain financial assets and financial liabilities of the Company are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	June 30, 2016	December 31, 2015		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	86,767,324	91,221,379	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Debt securities - Bill of exchange	917,287,333	1,035,136,881	Level 2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Debt securities - Corporate bond	27,363,022	110,951,859	Level 2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Available-for-sale securities				
Equity securities	81,224,694	61,607,128	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

Unit : Baht

Financial assets/ Financial liabilities	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	Fair value			
	June 30, 2016	December 31, 2015		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	80,882,074	87,790,879	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Debt securities - Bill of exchange	917,287,333	1,035,136,881	Level 2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Debt securities - Corporate bond	27,363,022	110,951,859	Level 2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Available-for-sale securities				
Equity securities	81,224,694	61,607,128	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

33.2.5.2 Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at June 30, 2016			
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	204,975,641	204,975,641	3	Net present value of expected cash inflow
Deposit at financial institution	75,892,896	78,346,553	3	Net present value of expected cash inflow
Securities and derivatives business receivables - net	14,633,898	14,633,898	3	Net present value of expected cash inflow
General Investment Equity securities	291,175,792	291,175,792	3	Net asset value of invested company
<u>Financial liabilities</u>				
Securities and derivatives business payables - net	16,775,206	16,775,206	3	Net present value of expected cash outflow
Loan from financial institutions	641,781,364	641,781,364	3	Net present value of expected cash outflow

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2015			
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	404,702,084	404,702,084	3	Net present value of expected cash inflow
Deposit at financial institution	77,631,063	77,490,406	3	Net present value of expected cash inflow
Securities and derivatives business receivables - net	11,570,101	11,570,101	3	Net present value of expected cash inflow
General Investment securities	276,085,876	276,085,876	3	Net asset value of invested company
<u>Financial liabilities</u>				
Securities and derivatives business payables - net	8,493,954	8,493,954	3	Net present value of expected cash outflow
Loan from financial institutions	969,504,592	969,504,592	3	Net present value of expected cash outflow

Unit : Baht

	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at June 30, 2016			
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	136,437,528	136,437,528	3	Net present value of expected cash inflow
Deposit at financial institution	50,193,501	52,647,158	3	Net present value of expected cash inflow
Securities and derivatives business receivables - net	14,633,898	14,633,898	3	Net present value of expected cash inflow
General Investment Equity securities	291,175,792	291,175,792	3	Net asset value of invested company
<u>Financial liabilities</u>				
Securities and derivatives business payables - net	16,775,206	16,775,206	3	Net present value of expected cash outflow
Loan from financial institutions	641,781,364	641,781,364	3	Net present value of expected cash outflow

	SEPARATE FINANCIAL STATEMENTS			Unit : Baht	
	As at December 31, 2015		Fair value hierarchy		Valuation techniques and key inputs
	Carrying Amount	Fair Value			
	Baht	Baht			
<u>Financial assets</u>					
Cash and cash equivalents	343,844,697	343,844,697	3	Net present value of expected cash inflow	
Deposit at financial institution	52,074,041	51,933,384	3	Net present value of expected cash inflow	
Securities and derivatives business receivables - net	11,570,101	11,570,101	3	Net present value of expected cash inflow	
General Investment Equity securities	276,085,876	276,085,876	3	Net asset value of invested company	
<u>Financial liabilities</u>					
Securities and derivatives business payables - net	8,493,954	8,493,954	3	Net present value of expected cash outflow	
Loan from financial institutions	969,504,592	969,504,592	3	Net present value of expected cash outflow	

34. TRANSFER OF BUSINESS

On May 1, 2009, the Company transferred its business and margin loan accounts to KT ZMICO Securities Co., Ltd., an associated company, in accordance with a partnership plan to develop securities business with Krung Thai Bank Plc. The Company received returns from the transfer of business in the total amount of Baht 500 million. At the end of year 2011, the Company recognized the entire amount of consideration from the transfer of business of Baht 500 million as the associated company was able to generate 3-year cumulative EBITDA from 2009 - 2011 according to the criteria specified in the agreement.

The Company recognized such gain on transfer of business to an associated company as income in the consolidated financial statements according to the shareholding percentage of the third parties in the associated company. The remaining amount was presented as “unrealized gain on transfer of business to an associated company”. The Company will realize such “unrealized gain on transfer of business to an associated company” as income when the Company has lower percentage of shareholding in the associated company and when the associated company calculates depreciation or sells such transferred assets to the third parties.

For the three-month periods ended June 30, 2016 and 2015, the Company recognized additional gain on transfer of business to the associated company of Baht 0.01 million and Baht 0.01 million, respectively.

For the six-month periods ended June 30, 2016 and 2015, the Company recognized additional gain on transfer of business to the associated company of Baht 0.03 million and Baht 0.03 million, respectively.

As at June 30, 2016 and December 31, 2015 the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.37 million and Baht 148.40 million, respectively.

35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on August 26, 2016.