

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND THE SIX-MONTH PERIODS ENDED JUNE 30, 2017**

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 and managing 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, 2017 and December 31, 2016, 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.

On July 4, 2017, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2018 according to the letter No. BorSorChor.0004/2560.

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 financial statements in conformity with Thai Financial Reporting Standards and practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 (Revised 2016) "Presentation of Financial Statements", and accounting practices generally accepted in Thailand and also the Notification of the Office of the Securities and Exchange Commission ("SEC") No. SorTor. 22/2559, dated June 2, 2016, regarding "The Form of Financial Statements for Securities Companies (No. 2)" which becomes effective for fiscal years beginning effective on or after January 1, 2017.

Therefore, reclassifications have been made in the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate statement of comprehensive income for the three-month and the six-month periods ended June 30, 2016 to conform to the classifications used in the financial statement for the three-month and the six-month periods ended June 30, 2017 as follows:

Consolidated statement of financial position as at December 31, 2016

| Account name | Amount Baht | Previous classification | Current classification |
|--|------------------------|-----------------------------------|--|
| Deposit at financial institutions | 73,356,186 | Deposit at financial institutions | Investment |
| Accrued fees and service income from asset management business | 6,652,734 | Other assets | Accrued fees and service income from asset management business |
| Accrued fees and service expenses from asset management business | 756,192 | Other liabilities | Accrued fees and service expenses from asset management business |
| Accrued expenses | 20,992,268 | Accrued expenses | Other liabilities |

Consolidated statement of comprehensive income for the three-month period ended June 30, 2016

| Account name | Amount Baht | Previous classification | Current classification |
|--|------------------------|--|--|
| Gain on investments | 20,539,150 | Gain on investments | Gain and return on financial instruments |
| Interest and dividend income | 3,792,287 | Interest and dividend income | Gain and return on financial instruments |
| Directors' remuneration | 2,175,000 | Directors' remuneration | Employee benefits expenses |
| Premises and equipment expenses | 2,816,386 | Premises and equipment expenses | Other expenses |
| Consulting fee | 2,981,585 | Consulting fee | Other expenses |
| Communication and information expenses | 742,211 | Communication and information expenses | Other expenses |

Consolidated statement of comprehensive income for the six-month period ended June 30, 2016

| Account name | Amount Baht | Previous classification | Current classification |
|--|------------------------|--|--|
| Gain on investments | 41,264,407 | Gain on investments | Gain and return on financial instruments |
| Interest and dividend income | 12,963,159 | Interest and dividend income | Gain and return on financial instruments |
| Directors' remuneration | 3,249,000 | Directors' remuneration | Employee benefits expenses |
| Premises and equipment expenses | 5,677,104 | Premises and equipment expenses | Other expenses |
| Consulting fee | 5,238,058 | Consulting fee | Other expenses |
| Communication and information expenses | 1,382,459 | Communication and information expenses | Other expenses |

Separate statement of financial position as at December 31, 2016

| Account name | Amount Baht | Previous classification | Current classification |
|-----------------------------------|------------------------|-----------------------------------|-------------------------------|
| Deposit at financial institutions | 50,356,186 | Deposit at financial institutions | Investment |
| Accrued expenses | 14,268,110 | Accrued expenses | Other liabilities |

Separate statement of comprehensive income for the three-month period ended June 30, 2016

| Account name | Amount Baht | Previous classification | Current classification |
|--|------------------------|--|--|
| Gain on investments | 20,383,215 | Gain on investments | Gain and return on financial instruments |
| Interest and dividend income | 3,397,015 | Interest and dividend income | Gain and return on financial instruments |
| Directors' remuneration | 1,795,000 | Directors' remuneration | Employee benefits expenses |
| Premises and equipment expenses | 1,544,537 | Premises and equipment expenses | Other expenses |
| Consulting fee | 2,505,255 | Consulting fee | Other expenses |
| Communication and information expenses | 356,826 | Communication and information expenses | Other expenses |

Separate statement of comprehensive income for the six-month period ended June 30, 2016

| Account name | Amount Baht | Previous classification | Current classification |
|--|------------------------|--|--|
| Gain on investments | 40,706,568 | Gain on investments | Gain and return on financial instruments |
| Interest and dividend income | 34,235,592 | Interest and dividend income | Gain and return on financial instruments |
| Directors' remuneration | 2,529,000 | Directors' remuneration | Employee benefits expenses |
| Premises and equipment expenses | 3,115,624 | Premises and equipment expenses | Other expenses |
| Consulting fee | 4,293,707 | Consulting fee | Other expenses |
| Communication and information expenses | 618,702 | Communication and information expenses | Other expenses |

- 2.2 The consolidated financial statements for the three-month and the six-month periods ended June 30, 2017 and 2016 include the accounts of the Company, Solaris Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd. which the Company has a holding of 100% in their equity of both subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for the three-month and the six-month periods ended June 30, 2017 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd., Scentimental (Thailand) Co., Ltd. and Absolute Yoga Co., Ltd. and The consolidated financial statement for the three-month and the six-month periods ended June 30, 2016 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd. and Beacon Offshore Limited. The Company had sold all shares in Beacon Offshore Ltd. in December 2016.

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.

On September 6, 2016, the Company already received the repayment on the Bill of Exchange, terminated the pledge of the ordinary shares, transfer preferred shares back to Phra Kanong Land Company Limited and cancelled the appointment of director. Therefore, the Company has no joint control over such company.

- 2.3 The preparation of financial statements in conformity with Thai Financial Reporting Standards 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.

3. NEW THAI FINANCIAL REPORTING STANDARDS

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

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 profit or loss and other 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 profit or loss and other 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 profit or loss and other comprehensive income.

Loss on impairment (if any) of investments in available-for-sale securities and general investments are included in statement of profit or loss and other comprehensive income 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. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2) ”.

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 profit or loss and other 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 profit or loss and other comprehensive income.

Gain or loss on disposals of assets classified as held for sale is recognized in the statements of profit or loss and other 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 profit or loss and other comprehensive income on a straight-line basis over its estimated useful life as follow:

| | |
|-------------------|---------|
| Computer software | 5 years |
|-------------------|---------|

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 profit or loss and other 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 profit or loss and other 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 profit or loss and other 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 income tax

Deferred income 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 profit or loss and other 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 Standards (TFRSs) requires the Company's management to exercise various 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 year. 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, |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Cash, short-term deposits and promissory notes with original maturity less than 3 months | 180,667,820 | 389,320,536 | 146,182,611 | 360,930,111 |
| <u>Less</u> Cash deposits held for customers* | <u>(12,136,270)</u> | <u>(12,954,955)</u> | <u>(12,135,270)</u> | <u>(12,261,955)</u> |
| Total cash and cash equivalents | <u>168,531,550</u> | <u>376,365,581</u> | <u>134,047,341</u> | <u>348,668,156</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, 2017 and December 31, 2016, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.14 million and Baht 12.95 million, respectively, and the separate statements of financial position in amounting to Baht 12.14 million and Baht 12.26 million, respectively, which the Company must return to the customers at call.

As at June 30, 2017 and December 31, 2016, the securities business cash customers of 435 accounts and 446 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 4.31 million and Baht 4.43 million, respectively, and shares with the values of Baht 139.00 million and Baht 130.06 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

The Company has securities business receivables as follows:

| | CONSOLIDATED AND SEPARATE | |
|--|---------------------------|---------------------|
| | FINANCIAL STATEMENTS | |
| | As at | As at |
| | June 30, | December 31, |
| | 2017 | 2016 |
| | Baht | Baht |
| Securities business receivables | - | 4,821,854 |
| Other receivables | | |
| Receivables under litigation | 62,654,566 | 62,654,566 |
| Total securities business receivables | 62,654,566 | 67,476,420 |
| <u>Less</u> Allowance for doubtful accounts (see Note 7) | <u>(62,654,566)</u> | <u>(62,654,566)</u> |
| Total | <u>-</u> | <u>4,821,854</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, 2017 | | | As at December 31, 2016 | | |
| Securities business receivables and accrued interest receivables Baht | Allowance for doubtful account 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 | - | - | 4,821,854 | - | 4,821,854 |
| Substandard debts | - | - | - | - | - |
| Doubtful debts | 62,654,566 | (62,654,566) | 62,654,566 | (62,654,566) | - |
| Total | 62,654,566 | (62,654,566) | 67,476,420 | (62,654,566) | 4,821,854 |

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, 2017 Baht | As at December 31, 2016 Baht |
| Over 3 years | 62,654,566 |
| Total | 62,654,566 |

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | |
|---|---|
| As at June 30, 2017 Baht | As at December 31, 2016 Baht |
| Beginning balance of the period | 62,654,566 |
| Doubtful accounts | - |
| Ending balance of the period (see Note 6) | 62,654,566 |

8. INVESTMENTS

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

| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|---|-----------------------------------|---------------|-------------------------|---------------|
| | As at June 30, 2017 | | As at December 31, 2016 | |
| | Cost/ Book value | Fair value | Cost/ Book value | Fair value |
| | Baht | Baht | Baht | Baht |
| <u>Trading securities</u> | | | | |
| Equity securities - List securities | 303,539,131 | 287,605,837 | 99,240,748 | 90,274,004 |
| Debt securities – Government bond | 24,961,839 | 24,961,702 | - | - |
| Debt securities - Corporate bond | 25,342,089 | 26,964,258 | 25,373,346 | 26,824,556 |
| Debt securities - Bill of exchange | 913,292,933 | 928,625,722 | 696,546,890 | 702,906,321 |
| Total | 1,267,135,992 | 1,268,157,519 | 821,160,984 | 820,004,881 |
| <u>Add (Less) Revaluation adjustments</u> | 1,021,527 | - | (1,156,103) | - |
| Total trading securities | 1,268,157,519 | 1,268,157,519 | 820,004,881 | 820,004,881 |
| <u>Available-for-sale securities</u> | | | | |
| Equity securities - List securities | 7,351,996 | 4,659,386 | 76,893,631 | 288,327,412 |
| <u>Add (Less) Revaluation adjustments</u> | (2,692,610) | - | 211,433,781 | - |
| Total available-for-sale securities | 4,659,386 | 4,659,386 | 288,327,412 | 288,327,412 |
| <u>Held to-maturity investments</u> | | | | |
| Deposits at financial institutions | 23,105,272 | 23,105,272 | 73,356,186 | 73,356,186 |
| Total held-to-maturity investments | 23,105,272 | 23,105,272 | 73,356,186 | 73,356,186 |
| <u>General investments</u> | | | | |
| Ordinary shares | 339,732,214 | 271,397,435 | 353,533,014 | 300,164,731 |
| Preference shares | 125,000 | 125,000 | 125,000 | 125,000 |
| Total | 339,857,214 | 271,522,435 | 353,658,014 | 300,289,731 |
| <u>Less Allowance for impairment</u> | (68,334,779) | - | (53,368,283) | - |
| Total general investments | 271,522,435 | 271,522,435 | 300,289,731 | 300,289,731 |
| Total investments | 1,567,444,612 | 1,567,444,612 | 1,481,978,210 | 1,481,978,210 |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|---|-------------------------------|---------------|-------------------------|---------------|
| | As at June 30, 2017 | | As at December 31, 2016 | |
| | Cost/ Book value | Fair value | Cost/ Book value | Fair value |
| | Baht | Baht | Baht | Baht |
| <u>Trading securities</u> | | | | |
| Equity securities - List securities | 294,950,227 | 278,911,287 | 91,388,221 | 82,339,254 |
| Debt securities – Government bond | 24,961,839 | 24,961,702 | - | - |
| Debt securities - Corporate bond | 25,342,089 | 26,964,258 | 25,373,346 | 26,824,556 |
| Debt securities - Bill of exchange | 878,292,933 | 895,622,982 | 646,863,367 | 653,130,918 |
| Total | 1,223,547,088 | 1,226,460,229 | 763,624,934 | 62,294,728 |
| <u>Add (Less) Revaluation adjustments</u> | 2,913,141 | - | (1,330,206) | - |
| Total trading securities | 1,226,460,229 | 1,226,460,229 | 762,294,728 | 62,294,728 |
| <u>Available-for-sale securities</u> | | | | |
| Equity securities - List securities | 7,351,996 | 4,659,386 | 76,893,631 | 288,327,412 |
| <u>Add (Less) Revaluation adjustments</u> | (2,692,610) | - | 211,433,781 | - |
| Total available-for-sale securities | 4,659,386 | 4,659,386 | 288,327,412 | 288,327,412 |
| <u>Held-to-maturity investments</u> | | | | |
| Deposits at financial institutions | - | - | 50,356,186 | 50,356,186 |
| Total Held-to-maturity investments | - | - | 50,356,186 | 50,356,186 |
| <u>General investments</u> | | | | |
| Ordinary shares | 339,732,214 | 271,397,435 | 353,533,014 | 300,164,731 |
| Preference shares | 125,000 | 125,000 | 125,000 | 125,000 |
| Total | 339,857,214 | 271,522,435 | 353,658,014 | 300,289,731 |
| <u>Less Allowance for impairment</u> | (68,334,779) | - | (53,368,283) | - |
| Total general investments | 271,522,435 | 271,522,435 | 300,289,731 | 300,289,731 |
| Total investments - net | 1,502,642,050 | 1,502,642,050 | 1,401,268,057 | 1,401,268,057 |

As at February 22, 2017, the Company reclassified one of its securities from available-for-sale investments to trading investments due to the company has planned to sell such investments in the near term. The reclassification was affected to gain on change investments from available-for-sale investments to trading investments in amount of Baht 180.56 million.

8.2 Investments in deposits at financial institutions with outstanding maturities of contracts as follow:

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2017

| | Within 1 year Baht | 1 - 5 years Baht | Over 5 years Baht | Total Baht |
|------------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------|
| Held-to-maturity investments | 23,105,272 | - | - | 23,105,272 |
| Total held-to-maturity investments | 23,105,272 | - | - | 23,105,272 |

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

| | Within 1 year Baht | 1 - 5 years Baht | Over 5 years Baht | Total Baht |
|------------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------|
| Held-to-maturity investments | 73,356,186 | - | - | 73,356,186 |
| Total held-to-maturity investments | 73,356,186 | - | - | 73,356,186 |

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2017

| | Within 1 year Baht | 1 - 5 years Baht | Over 5 years Baht | Total Baht |
|------------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------|
| Held-to-maturity investments | - | - | - | - |
| Total held-to-maturity investments | - | - | - | - |

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2016

| | Within 1 year Baht | 1 - 5 years Baht | Over 5 years Baht | Total Baht |
|------------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------------|
| Held-to-maturity investments | 50,356,186 | - | - | 50,356,186 |
| Total held-to-maturity investments | 50,356,186 | - | - | 50,356,186 |

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

| | CONSOLIDATED | | SEPARATE | |
|------------------------------------|----------------------|--------------------|----------------------|--------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Beginning balance of the period | 175,028,622 | (6,347,606) | 175,028,622 | (6,347,606) |
| Changes during the period | | | | |
| - from deferred tax adjustment | 42,825,278 | (45,344,056) | 42,825,278 | (45,344,056) |
| - from re-measuring of investments | (214,126,391) | 226,720,284 | (214,126,391) | 226,720,284 |
| Ending balance of the period | <u>3,727,509</u> | <u>175,028,622</u> | <u>3,727,509</u> | <u>175,028,622</u> |

8.4 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, 2017 | | | As at December 31, 2016 | | |
| | Cost/ Book value | Fair value | Allowance for impairment loss | Cost/ Book value | Fair value | Allowance for impairment loss |
| | Baht | Baht | Baht | Baht | Baht | Baht |
| Ordinary shares | <u>7,808</u> | <u>879</u> | <u>6,929</u> | <u>7,808</u> | <u>845</u> | <u>6,963</u> |
| | <u>7,808</u> | <u>879</u> | <u>6,929</u> | <u>7,808</u> | <u>845</u> | <u>6,963</u> |

9. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

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

| Company name | Type of business | Type of shares | Paid-up capital | | % of voting right | | Cost method | | Equity method | |
|----------------------------------|---|----------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | | | As at June 30, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 |
| | | | Million Baht | Million Baht | % | % | Million Baht | Million Baht | Million Baht | Million Baht |
| Associate | | | | | | | | | | |
| KT ZMICO | | | | | | | | | | |
| Securities Co., Ltd | Securities business | Ordinary share | 2,137.8 | 2,137.8 | 49.71 | 49.71 | 1,244.1 | 1,244.1 | 1,324.0 | 1,377.2 |
| Scentimental (Thailand) Co., Ltd | Import and whole sale perfume and cosmetics | Ordinary share | 30.0 | - | 46.00 | - | 13.8 | - | 9.8 | - |
| Absolute Yoga Co., Ltd | Yoga Studio, Food and hotel business | Ordinary share | 60.0 | - | 30.00 | - | 217.8 | - | 215.0 | - |
| Total | | | | | | | <u>1,475.7</u> | <u>1,244.1</u> | <u>1,548.8</u> | <u>1,377.2</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, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 |
| | | | Million Baht | Million Baht | % | % | Million Baht | Million Baht | Million Baht | Million Baht |
| Subsidiary | | | | | | | | | | |
| Solaris Asset Management Co., Ltd. | Mutual, private and provident fund | Ordinary share | 125.4 | 125.4 | 100.00 | 100.00 | 173.1 | 173.1 | 93.9 | 98.8 |
| Lumpini Asset Management Co., Ltd. | Purchasing or taking transfer of non-performing asset of financial institution | Ordinary share | 25.0 | 25.0 | 100.00 | 100.00 | 25.0 | 25.0 | 24.5 | 24.5 |
| <u>Less</u> Allowance for impairment | | | | | | | (79.2) | (74.3) | - | - |
| | | | | | | | 118.9 | 123.8 | 118.4 | 123.3 |
| Associate | | | | | | | | | | |
| KT ZMICO Securities Co., Ltd. | Securities business | Ordinary share | 2,137.8 | 2,137.8 | 49.71 | 49.71 | 1,244.1 | 1,244.1 | 1,324.0 | 1,377.2 |
| Scentimental (Thailand) Co., Ltd. | Import Export Retail and whole sale perfume and cosmetics | Ordinary share | 30.0 | - | 46.00 | - | 13.8 | - | 9.8 | - |
| Absolute Yoga Co., Ltd. | Yoga Studio, Food and hotel business | Ordinary share | 60.00 | - | 30.00 | - | 217.8 | - | 215.0 | - |
| | | | | | | | 1,475.7 | 1,244.1 | 1,548.8 | 1,377.2 |
| Total | | | | | | | 1,594.6 | 1,367.9 | 1,667.2 | 1,500.5 |

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

| | As at June 30, 2017 Million Baht | As at December 31, 2016 Million Baht |
|-------------------|---|---|
| Total assets | 8,683.6 | 10,707.7 |
| Total liabilities | (6,132.3) | (8,272.5) |
| Net assets | <u>2,551.3</u> | <u>2,435.2</u> |

| | For the three-month Periods ended June30, 2017 Million Baht | 2016 Million Baht |
|---|--|------------------------------|
| Total revenue | 393.6 | 580.2 |
| Net income for the period | (129.3) | 119.2 |
| Net other comprehensive income for the period | (16.9) | 23.6 |

| | For the six-month Periods ended June30, 2017 Million Baht | 2016 Million Baht |
|--|--|------------------------------|
| Total revenue | 851.2 | 1,013.6 |
| Net income for the period | (115.1) | 132.3 |
| Net other comprehensive income (loss) for the period | (21.2) | 20.2 |
| Dividend received from an associated company | - | 21.9 |

On January 17, 2017 the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Scentimental (Thailand) Co., Ltd. which is the Company's associated company. The investment value of Baht 13.80 million consists of 138,000 ordinary shares with a par value of Baht 100 per share, accounting for 46% of the shareholding of the Company in the associated company.

On February 22, 2017 the Board of Investment Committee's meeting passed the resolution to invest in ordinary shares of Absolute Yoga Co., Ltd. which is the Company's associated company. The investment value of Baht 217.80 million consists of 1,800,000 ordinary shares with a par value of Baht 10 per share, accounting for 30% of the shareholding of the Company in the associated company.

As at June 30, 2017 and December 31, 2016, the paid-up share capital of Lumpini Asset Management Co., Ltd. which is the Company's subsidiary is Baht 25 million, consisting of 2,500,000 ordinary shares of Baht 10 per share. As at June 30, 2017 and December 31, 2016, the subsidiary's shares are held by the Company 100%.

As at June 30, 2017 and December 31, 2016, 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, 2017 and December 31, 2016, the subsidiary's shares are held by the Company 100%.

10. BUILDING IMPROVEMENTS AND EQUIPMENT

| CONSOLIDATED FINANCIAL STATEMENTS | | | | |
|--|---|--------------------|------------------|---|
| | Balance as at January 1, 2017 Baht | Increase Baht | Decrease Baht | Balance as at June 30, 2017 Baht |
| Cost | | | | |
| Building improvement | 7,701,654 | 36,442 | - | 7,738,096 |
| Office equipment | 12,564,154 | 181,711 | (166,080) | 12,579,785 |
| Vehicles | 5,782,600 | 5,490,000 | - | 11,272,600 |
| Total cost | <u>26,048,408</u> | <u>5,708,153</u> | <u>(166,080)</u> | <u>31,590,481</u> |
| Accumulated depreciation | | | | |
| Building improvement | (5,317,684) | (569,436) | - | (5,887,120) |
| Office equipment | (10,343,042) | (649,112) | 135,876 | (10,856,278) |
| Vehicles | (2,417,966) | (645,704) | - | (3,063,670) |
| Total accumulated depreciation | <u>(18,078,692)</u> | <u>(1,864,252)</u> | <u>135,876</u> | <u>(19,807,068)</u> |
| Total building improvements and equipment | <u>7,969,716</u> | | | <u>11,783,413</u> |

| CONSOLIDATED FINANCIAL STATEMENTS | | | | |
|--|----------------------------|--------------------|----------|--------------------------|
| | January 1, 2016 Baht | Baht | Baht | 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 | <u>25,355,204</u> | <u>442,254</u> | <u>-</u> | <u>25,797,458</u> |
| 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 | <u>(14,263,202)</u> | <u>(1,893,431)</u> | <u>-</u> | <u>(16,156,633)</u> |
| Total building improvements and equipment | <u>11,092,002</u> | | | <u>9,640,825</u> |
| Depreciation for the six-month periods ended June 30, | | | | |
| 2017 | | | | <u>1,864,252</u> |
| 2016 | | | | <u>1,893,431</u> |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|--|-------------------------------|--------------------|------------------|--------------------|
| | Balance as at | Increase | Decrease | Balance as at |
| | January 1, | | | June 30, |
| | 2017 | | | 2017 |
| | Baht | Baht | Baht | Baht |
| Cost | | | | |
| Building improvement | 4,796,572 | 36,442 | - | 4,833,014 |
| Office equipment | 2,085,383 | 102,711 | (166,080) | 2,022,014 |
| Vehicles | 5,782,600 | 5,490,000 | - | 11,272,600 |
| Total cost | <u>12,664,555</u> | <u>5,629,153</u> | <u>(166,080)</u> | <u>18,127,628</u> |
| Accumulated depreciation | | | | |
| Building improvement | (2,617,737) | (480,944) | - | (3,098,681) |
| Office equipment | (1,745,820) | (96,828) | 135,876 | (1,706,772) |
| Vehicles | (2,417,966) | (645,704) | - | (3,063,670) |
| Total accumulated depreciation | <u>(6,781,523)</u> | <u>(1,223,476)</u> | <u>135,876</u> | <u>(7,869,123)</u> |
| Total building improvements and equipment | <u>5,883,032</u> | | | <u>10,258,505</u> |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|--|-------------------------------|--------------------|----------|--------------------|
| | Balance as at | Increase | Decrease | Balance as at |
| | January 1, | | | June 30, |
| | 2016 | | | 2016 |
| | Baht | Baht | Baht | 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 improvements and equipment | <u>8,046,649</u> | | | <u>6,888,205</u> |

Depreciation for the six-month periods ended June 30,

| | |
|------|------------------|
| 2017 | <u>1,223,476</u> |
| 2016 | <u>1,216,844</u> |

As at June 30, 2017 and December 31, 2016, 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 10.5 million and Baht 9.5 million, respectively.

For the separate financial statements as at June 30, 2017 and December 31, 2016 the Company has 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 1.6 million and Baht 1.1 million, respectively.

11. INTANGIBLE ASSETS

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
|-----------------------------------|--------------|---|-------------------|----------------------|------------------------------------|---|
| | Useful lives | Balance as at January 1, 2017 Baht | Additions Baht | Amortization Baht | Write-off/ Transfer out Baht | Balance as at June 30, 2017 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 | 141,674 | - | (23,344) | - | 118,330 |
| Total | | <u>4,830,167</u> | <u>-</u> | <u>(23,344)</u> | <u>-</u> | <u>4,806,823</u> |

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
|-----------------------------------|--------------|---|-------------------|----------------------|------------------------------------|---|
| | Useful lives | Balance as at January 1, 2016 Baht | Additions Baht | Amortization Baht | Write-off/ Transfer out Baht | Balance as at June 30, 2016 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> |

Amortization for the six-month periods ended June 30,

| | |
|------|---------------|
| 2017 | <u>23,344</u> |
| 2016 | <u>21,892</u> |

| SEPARATE FINANCIAL STATEMENTS | | | | | | |
|-------------------------------|--------------|---|-------------------|----------------------|------------------------------------|---|
| | Useful lives | Balance as at January 1, 2017 Baht | Additions Baht | Amortization Baht | Write-off/ Transfer out Baht | Balance as at June 30, 2017 Baht |
| Deferred license fees | | | | | | |
| Derivatives business | Indefinite* | 3,320,548 | - | - | - | 3,320,548 |
| Computer software | 5 years | 1 | - | - | - | 1 |
| Total | | <u>3,320,549</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,320,549</u> |

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

Amortization for the six-month periods ended June 30,

| | |
|------|----------|
| 2017 | - |
| 2016 | <u>-</u> |

* 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, 2017 and December 31, 2016, for 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 7.54 million. As at June 30, 2017 and December 31, 2016, for the separate financial statements, the Company has computer software items which have been fully amortized but are still in use is Baht 0.02 million.

12. DEFERRED INCOME TAX

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---|--------------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|
| | As at June 30, 2017 Baht | As at December 31, 2016 Baht | As at June 30, 2017 Baht | As at December 31, 2016 Baht |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 208,623 | 211,285 | 208,623 | 211,285 |
| Allowance for impairment of investments | 30,962,616 | 26,983,118 | 30,962,616 | 26,983,118 |
| Employee benefit obligations | 495,149 | 390,866 | - | - |
| Unrealized loss on re-measuring trading investments | 3,308,752 | 2,112,743 | 3,226,362 | 2,028,330 |
| Other assets | 10,357 | 10,357 | 10,357 | 10,357 |
| Tax loss carried forward | - | 5,754,969 | - | - |
| Unrealized gain on transfer of business to an associated company | <u>22,738,959</u> | <u>22,744,602</u> | <u>-</u> | <u>-</u> |
| | <u>57,724,456</u> | <u>58,207,940</u> | <u>34,407,958</u> | <u>29,233,090</u> |
| Deferred tax liabilities | | | | |
| Unrealized gain on re-measuring trading investments | 37,427,184 | 1,940,204 | 37,317,637 | 1,820,971 |
| Unrealized loss on re-measuring available-for-sale Investments | 931,877 | 43,757,155 | 931,877 | 43,757,155 |
| Unrealized gain on exchange rate | - | 73,050 | - | 73,050 |
| Amortization of license fees | <u>916,288</u> | <u>910,905</u> | <u>664,110</u> | <u>664,110</u> |
| | <u>39,275,349</u> | <u>46,681,314</u> | <u>38,913,624</u> | <u>46,315,286</u> |
| Deferred tax assets (liabilities) | <u>18,449,107</u> | <u>11,526,626</u> | <u>(4,505,666)</u> | <u>(17,082,196)</u> |

The movements of deferred tax assets and liabilities during the periods are as follows:

| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|--|-----------------------------------|---------------------|---------------------|-------------------|
| | As at | Items as | Items as | As at |
| | January 1, | recognized in | recognized in | June 30, |
| | 2017 | profit or loss | other comprehensive | 2017 |
| | (see Note 29) | income | | |
| | Baht | Baht | Baht | Baht |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 211,285 | (2,662) | - | 208,623 |
| Allowance for impairment of investments | 26,983,118 | 3,979,498 | - | 30,962,616 |
| Employee benefit obligations | 390,866 | 104,283 | - | 495,149 |
| Unrealized loss on re-measuring trading investments | 2,112,743 | 1,196,009 | - | 3,308,752 |
| Other assets | 10,357 | - | - | 10,357 |
| Tax loss carried forward from subsidiary | 5,754,969 | (5,754,969) | - | - |
| Unrealized gain on transfer of business to an associated company | 22,744,602 | (5,643) | - | 22,738,959 |
| | <u>58,207,940</u> | <u>(483,484)</u> | <u>-</u> | <u>57,724,456</u> |
| Deferred tax liabilities | | | | |
| Unrealized gain on re-measuring trading investments | 1,940,204 | 35,486,980 | - | 37,427,184 |
| Unrealized gain on re-measuring available-for-sale investments | 43,757,155 | - | (42,825,278) | 931,877 |
| Unrealized gain on exchange rate | 73,050 | (73,050) | - | - |
| Amortization of derivative license | 910,905 | 5,383 | - | 916,288 |
| | <u>46,681,314</u> | <u>35,419,313</u> | <u>(42,825,278)</u> | <u>39,275,349</u> |
| Deferred tax assets | <u>11,526,626</u> | <u>(35,902,797)</u> | <u>42,825,278</u> | <u>18,449,107</u> |

| | CONSOLIDATED FINANCIAL STATEMENTS | | | |
|--|-----------------------------------|--------------------|---------------------|-------------------|
| | As at | Items as | Items as | As at |
| | January 1, | recognized in | recognized in | June 30, |
| | 2016 | profit or loss | other comprehensive | 2016 |
| | (see Note 29) | income | | |
| | 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 gain on re-measuring available investments | 1,586,901 | - | (1,586,901) | - |
| Other assets | 10,357 | - | - | 10,357 |
| Tax loss carried forward from 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 derivative 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 | <u>66,746,633</u> | <u>(9,677,326)</u> | <u>(3,923,514)</u> | <u>53,145,793</u> |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|---|-------------------------------|--|---|--------------------|
| | As at | Items as | Items as | As at |
| | January 1, 2017 | recognized in profit or loss (see Note 29) | recognized in other comprehensive income | June 30, 2017 |
| | Baht | Baht | Baht | Baht |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 211,285 | (2,662) | - | 208,623 |
| Allowance for impairment of investments | 26,983,118 | 3,979,498 | - | 30,962,616 |
| Unrealized loss on re-measuring trading investments | 2,028,330 | 1,198,032 | - | 3,226,362 |
| Other assets | 10,357 | - | - | 10,357 |
| | <u>29,233,090</u> | <u>5,174,868</u> | <u>-</u> | <u>34,407,958</u> |
| Deferred tax liabilities | | | | |
| Unrealized gain on re-measuring trading investments | 1,820,971 | 35,496,666 | - | 37,317,637 |
| Unrealized gain on re-measuring available-for-sale investments | 43,757,155 | - | (42,825,278) | 931,877 |
| Unrealized gain on exchange rate | 73,050 | (73,050) | - | - |
| Amortization of derivative license | 664,110 | - | - | 664,110 |
| | <u>46,315,286</u> | <u>35,423,616</u> | <u>(42,825,278)</u> | <u>38,913,624</u> |
| Deferred tax assets (liabilities) | <u>(17,082,196)</u> | <u>(30,248,748)</u> | <u>42,825,278</u> | <u>(4,505,666)</u> |

| | SEPARATE FINANCIAL STATEMENTS | | | |
|---|-------------------------------|--|---|-------------------|
| | As at | Items as | Items as | As at |
| | January 1, 2016 | recognized in profit or loss (see Note 29) | recognized in other comprehensive income | 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 loss 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 derivative 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 (liabilities) | <u>29,285,053</u> | <u>(5,980,627)</u> | <u>(3,923,514)</u> | <u>19,380,912</u> |

For the six-month periods ended June 30, 2017 and 2016, the Company has unused tax losses carry forward amounting to Baht 92.43 million and Baht 50.68 million, respectively, which will be expired within 5 years.

For the six-month periods ended June 30, 2017 and 2016, the subsidiary reviewed the carrying amount of deferred tax and wrote down the deferred tax assets of Baht 5.57 million which arose from loss carry forward for the amount of Baht 27.84 million because the subsidiary expects there are no sufficient future taxable profit will be available against which the temporary differences can be utilized in the future.

As at June 30, 2017, the subsidiary has unused tax loss carry forward of Baht 45.27 million and December 31, 2016, the subsidiary has unused tax carry forward of Baht 16.49 million, which will be expired within 5 years.

13. OTHER ASSETS

| | CONSOLIDATED | | SEPARATE | |
|---|----------------------|-------------------|----------------------|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Accrued interest income | 149,866 | 504,843 | 149,866 | 503,425 |
| Prepaid insurance | 891,173 | 182,381 | 337,055 | 182,381 |
| Prepaid repair and maintenance | 688,752 | 98,005 | - | - |
| Prepaid SET fee | 151,659 | 109,389 | 151,659 | 109,389 |
| Prepaid membership | 1,377,303 | - | 138,625 | - |
| Prepaid other | 127,549 | 313,332 | 99,048 | 89,131 |
| Other deposits | 1,135,628 | 1,130,628 | 788,878 | 783,878 |
| Corporate income tax claim receivable | 11,494,333 | 10,559,626 | 2,415,868 | 2,361,201 |
| Advance payment for investment in Myanmar | 50,721,750 | 53,488,200 | 50,721,750 | 53,488,200 |
| Others | 7,313,886 | 702,397 | 347,571 | 311,513 |
| Total | <u>74,051,899</u> | <u>67,088,801</u> | <u>55,150,320</u> | <u>57,829,118</u> |

14. OTHER BORROWINGS

As at June 30, 2017 and December 31, 2016, the Company has other borrowings, as follows:

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|-----------------------------|--|--------------------|-------------------|------------|--------------------|
| | As at June 30, 2017 | | | | |
| | Residual maturities | | | | |
| Interest rate per annum (%) | Within 1 year Baht | 1 - 5 years Baht | Over 5 years Baht | Total Baht | |
| <u>Other borrowings</u> | | | | | |
| Bill of exchange | 3.65 - 4.00 | <u>781,368,142</u> | <u>-</u> | <u>-</u> | <u>781,368,142</u> |
| Total other borrowings | | <u>781,368,142</u> | <u>-</u> | <u>-</u> | <u>781,368,142</u> |

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
As at December 31, 2016

| | Interest rate per annum (%) | Residual maturities | | | Total Baht |
|-------------------------|-----------------------------------|-----------------------|---------------------|----------------------|---------------|
| | | Within 1 year Baht | 1 - 5 years Baht | Over 5 years Baht | |
| Other borrowings | | | | | |
| Bill of exchange | 3.45 – 3.60 | 467,778,822 | - | - | 467,778,822 |
| Total other borrowings | | 467,778,822 | - | - | 467,778,822 |

15. EMPLOYMENT BENEFITS OBLIGATION

Employment benefits obligation consists of the following:

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-------------------------------------|--------------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|
| | As at June 30, 2017 Baht | As at December 31, 2016 Baht | As at June 30, 2017 Baht | As at December 31, 2016 Baht |
| Post-employment benefits obligation | 7,751,038 | 6,896,312 | 6,049,638 | 5,480,726 |
| Unused paid vacation leave | 1,452,977 | 1,008,332 | 678,632 | 469,587 |
| | 9,204,015 | 7,904,644 | 6,728,270 | 5,950,313 |

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 | | SEPARATE FINANCIAL STATEMENTS | |
|----------------------|---|--------------|---|--------------|
| | For the three-month periods ended June 30, | | For the three-month periods ended June 30, | |
| | 2017 Baht | 2016 Baht | 2017 Baht | 2016 Baht |
| Current service cost | 380,897 | 327,041 | 249,244 | 217,431 |
| Interest cost | 44,394 | 35,558 | 35,213 | 28,883 |
| | 425,291 | 362,599 | 284,457 | 246,314 |

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|----------------------|---|--------------|---|--------------|
| | For the six-month periods ended June 30, | | For the six-month periods ended June 30, | |
| | 2017 Baht | 2016 Baht | 2017 Baht | 2016 Baht |
| Current service cost | 765,174 | 654,084 | 498,486 | 434,863 |
| Interest cost | 89,552 | 71,116 | 70,426 | 57,766 |
| | 854,726 | 725,200 | 568,912 | 492,629 |

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, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Beginning balance of post-employment benefits obligation | 6,896,312 | 5,445,935 | 5,480,726 | 4,495,476 |
| Current service cost | 765,174 | 654,084 | 498,486 | 434,863 |
| Interest cost | 89,552 | 71,116 | 70,426 | 57,766 |
| Actuarial (gain) loss in statement of comprehensive income | | | | |
| - from experience adjustment | - | - | - | - |
| - from changes in demographic assumption | - | - | - | - |
| - from changes in financial assumption | - | - | - | - |
| Ending balance of post-employment benefits obligation | <u>7,751,038</u> | <u>6,171,135</u> | <u>6,049,638</u> | <u>4,988,105</u> |

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at June 30, 2017 and December 31, 2016 are as follows:

| | CONSOLIDATED AND SEPARATE | |
|----------------------------------|-------------------------------------|-------------------------------------|
| | FINANCIAL STATEMENTS | |
| | (% per annum) | |
| | June 30, 2017 | December 31, 2016 |
| 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, 2017 | December 31, 2016 | June 30, 2017 | December 31, 2016 |
| Salary incremental rates - 1% increase | 541,859 | 508,346 | 393,732 | 374,830 |
| Salary incremental rates - 1% decrease | (494,517) | (463,731) | (360,524) | (343,227) |
| Life expectancy - 1% increase | 48,188 | 45,450 | 39,894 | 38,030 |
| Life expectancy - 1% decrease | (47,825) | (45,109) | (39,583) | (37,734) |
| Discount rate - 1% increase | (468,985) | (440,973) | (340,832) | (325,702) |
| Discount rate - 1% decrease | 523,887 | 492,699 | 379,582 | 362,587 |

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.

16. OTHER LIABILITIES

| | CONSOLIDATED | | SEPARATE | |
|--|----------------------|-------------------|----------------------|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Withholding tax payable | 442,273 | 504,425 | 284,613 | 257,064 |
| Value-added-tax payable | 219,947 | 507,012 | 207,380 | 207,331 |
| Others payable | 6,543,991 | 6,479,366 | 6,159,501 | 6,154,918 |
| Accrued expenses | 7,216,131 | 20,992,268 | 6,576,875 | 14,268,110 |
| Amounts of capital reduction and dividend not redeemed by shareholders | 5,616,326 | 5,540,317 | 5,616,326 | 5,540,317 |
| Liabilities under finance lease | - | 16,770 | - | 16,770 |
| Others | 1,223,586 | 1,482,716 | 1,214,485 | 1,388,772 |
| Total | <u>21,262,254</u> | <u>35,522,874</u> | <u>20,059,180</u> | <u>27,833,282</u> |

17. SHARE CAPITAL

As at June 30, 2017 and December 31, 2016, the Company has issued and paid-up share capital of Baht 653,868,463.

Net asset value

As at June 30, 2017 and December 31, 2016, 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, |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Net asset value (per share) | 1.86 | 2.05 | 1.90 | 2.04 |

18. DIVIDEND

On April 27, 2017, the ordinary shareholders' meeting of the year 2017 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2016 to the shareholders at the rate of Baht 0.10 per share equalling to Baht 130.74 million. The dividend was paid on May 15, 2017.

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.

19. 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, 2017 and December 31, 2016, the Company is able to maintain its net liquid capital more than the required condition.

20. 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.

21. 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, 2017 and December 31, 2016, the Company has statutory reserve at the rate of 11.51 percent of authorized share capital.

22. FEE AND SERVICE INCOME

| | CONSOLIDATED | | SEPARATE | |
|--|-----------------------------|-------------------|-----------------------------|----------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the three-month periods | | For the three-month periods | |
| | ended June 30, | | ended June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Private fund management, mutual fund management and provident fund management | 2,548,634 | 28,985,839 | - | - |
| Total | <u>2,548,634</u> | <u>28,985,839</u> | <u>-</u> | <u>-</u> |

| | CONSOLIDATED | | SEPARATE | |
|--|---------------------------------|-------------------|---------------------------------|----------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the six-month periods ended | | For the six-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Private fund management, mutual fund management and provident fund management | 21,354,573 | 57,351,877 | - | - |
| Total | <u>21,354,573</u> | <u>57,351,877</u> | <u>-</u> | <u>-</u> |

23. GAIN AND RETURN ON FINANCIAL INSTRUMENTS

| | CONSOLIDATED | | SEPARATE | |
|------------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the three-month periods ended | | For the three-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Gain (loss) on investment | (1,247,521) | 20,539,150 | (2,884,131) | 20,383,215 |
| Interest and dividend income | 3,078,183 | 3,792,287 | 2,820,669 | 3,397,015 |
| Total | <u>1,830,662</u> | <u>24,331,437</u> | <u>(63,462)</u> | <u>23,780,230</u> |

| | CONSOLIDATED | | SEPARATE | |
|------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the six-month periods ended | | For the six-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Gain on investment | 212,327,268 | 41,264,407 | 209,895,616 | 40,706,568 |
| Interest and dividend income | 12,473,798 | 12,963,159 | 12,019,367 | 34,235,592 |
| Total | <u>224,801,066</u> | <u>54,227,566</u> | <u>221,914,983</u> | <u>74,942,160</u> |

24. DIRECTORS' 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 2017 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 27, 2017 and on April 17, 2017, respectively. Directors' remuneration for the year 2016 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on April 29, 2016 and on April 20, 2016, respectively.

25. FEE AND SERVICE EXPENSES

| | CONSOLIDATED | | SEPARATE | |
|--|-----------------------------------|------------------|-----------------------------------|---------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the three-month periods ended | | For the three-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Fees for private fund, mutual fund and derivative licenses | 335,764 | 369,358 | - | - |
| Referral expense | 117,963 | 7,413,403 | - | - |
| Others | 465,151 | 295,556 | 80,670 | 81,290 |
| Total | <u>918,878</u> | <u>8,078,317</u> | <u>80,670</u> | <u>81,290</u> |

| | CONSOLIDATED | | SEPARATE | |
|--|---------------------------------|-------------------|---------------------------------|----------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the six-month periods ended | | For the six-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Fees for private fund, mutual fund and derivative licenses | 667,792 | 738,715 | - | - |
| Referral expense | 303,741 | 17,635,895 | - | - |
| Others | 3,045,800 | 1,621,443 | 161,007 | 159,537 |
| Total | <u>4,017,333</u> | <u>19,996,053</u> | <u>161,007</u> | <u>159,537</u> |

26. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|--------------------------------------|--------------------|-----------------------------------|---------------------|
| | For the three-month periods ended | | For the three-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 Baht | 2016 Baht | 2017 Baht | 2016 Baht |
| Impairment loss from equity securities (reversal) | 5,996,671 | (1,132,164) | 5,996,671 | (1,132,164) |
| Impairment loss on investment in subsidiary (reversal) | - | - | 10,775,034 | (9,173,560) |
| Total | <u>5,996,671</u> | <u>(1,132,164)</u> | <u>16,771,705</u> | <u>(10,305,724)</u> |

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|--------------------------------------|--------------------|----------------------------------|---------------------|
| | For the six-month periods ended | | For the six-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 Baht | 2016 Baht | 2017 Baht | 2016 Baht |
| Impairment loss from equity securities (reversal) | 14,966,496 | (2,174,916) | 14,966,496 | (2,174,916) |
| Impairment loss on investment in subsidiary (reversal) | - | - | 4,930,963 | (14,841,340) |
| Total | <u>14,966,496</u> | <u>(2,174,916)</u> | <u>19,897,459</u> | <u>(17,016,256)</u> |

27. OTHER EXPENSES

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|--------------------------------------|-------------------|-----------------------------------|------------------|
| | For the three-month periods ended | | For the three-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 Baht | 2016 Baht | 2017 Baht | 2016 Baht |
| Premises and equipment expenses | 2,851,038 | 2,816,386 | 1,618,594 | 1,544,537 |
| Consulting fee | 2,569,660 | 2,981,585 | 1,575,187 | 2,505,255 |
| Communication and information expenses | 909,614 | 742,211 | 306,772 | 356,826 |
| Entertainment expenses | 91,271 | 144,475 | 2,130 | 20,979 |
| Publication and marketing expenses | 245,757 | 149,209 | 90,950 | 27,820 |
| Traveling expenses | 188,140 | 218,390 | 126,489 | 134,943 |
| SET fee | 1,092,520 | 911,361 | 1,092,520 | 911,361 |
| Stationery and office supply | 535,856 | 509,421 | 440,055 | 437,136 |
| Taxation | 160,720 | 152,243 | 158,092 | 149,043 |
| Loss on exchange rate | 1,748,789 | 15,492 | 1,748,789 | 15,492 |
| Meeting and conference | 459,619 | 317,634 | 454,129 | 314,458 |
| Professional fee | 664,762 | 843,107 | 318,964 | 469,257 |
| Others | 821,232 | 570,142 | 576,655 | 440,363 |
| Total | <u>12,338,978</u> | <u>10,371,656</u> | <u>8,509,326</u> | <u>7,327,470</u> |

| | CONSOLIDATED | | SEPARATE | |
|--|---|-------------------|---|-------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the six-month periods ended June 30, | | For the six-month periods ended June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Premises and equipment expenses | 5,634,892 | 5,677,104 | 3,153,330 | 3,115,624 |
| Consulting fee | 7,319,522 | 5,238,058 | 5,790,491 | 4,293,707 |
| Communication and information expenses | 1,672,206 | 1,382,459 | 601,578 | 618,702 |
| Entertainment expenses | 202,868 | 315,122 | 15,779 | 69,000 |
| Publication and marketing expenses | 405,074 | 336,207 | 91,378 | 32,042 |
| Traveling expenses | 478,847 | 384,645 | 339,921 | 255,974 |
| SET fee | 1,722,624 | 1,400,570 | 1,722,624 | 1,400,570 |
| Stationery and office supply | 701,065 | 630,853 | 447,341 | 448,414 |
| Taxation | 167,514 | 154,125 | 163,836 | 150,025 |
| Loss on exchange rate | 6,571,945 | 3,160,943 | 6,571,945 | 3,160,943 |
| Meeting and conference | 484,603 | 330,826 | 469,262 | 321,789 |
| Professional fee | 1,222,812 | 1,463,987 | 453,964 | 601,337 |
| Others | 1,417,446 | 1,129,175 | 810,018 | 790,952 |
| Total | <u>28,001,418</u> | <u>21,604,074</u> | <u>20,631,467</u> | <u>15,259,079</u> |

28. 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, 2017 and 2016, the Company has contributed Baht 0.23 million and Baht 0.20 million, respectively, to the fund and the subsidiary has contributed Baht 0.22 million and Baht 0.17 million, respectively, to the fund.

For the six-month periods ended June 30, 2017 and 2016, the Company has contributed Baht 0.46 million and Baht 0.39 million, respectively, to the fund and the subsidiary has contributed Baht 0.43 million and Baht 0.35 million, respectively, to the fund.

29. CORPORATE INCOME TAX

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-----------------------|---|--------------------|---|--------------------|
| | For the three-month periods ended June 30, | | For the three-month periods ended June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Income tax (expenses) | 1,962,941 | (3,761,308) | 6,218,380 | (1,477,119) |
| Total | <u>1,962,941</u> | <u>(3,761,308)</u> | <u>6,218,380</u> | <u>(1,477,119)</u> |

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|-------------------------------------|---|--------------------|---|--------------------|
| | For the six-month periods ended June 30, | | For the six-month periods ended June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Income tax (expenses) (see Note 12) | (35,902,797) | (9,677,326) | (30,248,748) | (5,980,627) |
| Total | <u>(35,902,797)</u> | <u>(9,677,326)</u> | <u>(30,248,748)</u> | <u>(5,980,627)</u> |

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

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|---|--------------------|---|--------------------|
| | For the three-month periods ended June 30, | | For the three-month periods ended June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Income before tax | (90,355,659) | 33,701,497 | (34,285,944) | 16,141,122 |
| 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 | 18,071,132 | (6,740,299) | 6,857,189 | (3,228,224) |
| Tax effect of the non-deductible income and expense | (9,969,084) | 1,134,777 | (67,942) | (93,109) |
| Effect of the temporary difference not recognized as deferred tax assets | (25,651) | (57,309) | (25,651) | (57,309) |
| Effect of tax loss carried forward not recognized as deferred tax assets | (545,216) | 1,901,523 | (545,216) | 1,901,523 |
| Deferred tax relating to the deductible of temporary difference | (4,252,602) | (2,281,352) | - | - |
| Use of tax loss carry forward | <u>(1,315,638)</u> | <u>2,281,352</u> | <u>-</u> | <u>-</u> |
| Income tax - income (expenses) | <u>1,962,941</u> | <u>(3,761,308)</u> | <u>6,218,380</u> | <u>(1,477,119)</u> |

| | CONSOLIDATED | | SEPARATE | |
|---|------------------------|--------------------|------------------------|--------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the six-month | | For the six-month | |
| | periods ended June 30, | | periods ended June 30, | |
| 2017 | 2016 | 2017 | 2016 | |
| Baht | Baht | Baht | Baht | |
| Income before tax | 108,906,359 | 59,988,934 | 152,698,651 | 54,458,889 |
| Tax rate | 20% | 20% | 20% | 20% |
| The result of the account profit multiplied | | | | |
| by the income tax rate - expenses | (21,781,272) | (11,997,987) | (30,539,730) | (10,891,778) |
| Tax effect of the non-deductible income and expense | (7,835,440) | 3,555,489 | 1,008,827 | 6,145,979 |
| Effect of the temporary difference not | | | | |
| recognized as deferred tax assets | (82,535) | (131,126) | (82,535) | (131,126) |
| Effect of tax loss carried forward not recognized | | | | |
| as deferred tax assets | (635,310) | (1,103,702) | (635,310) | (1,103,702) |
| Deferred tax relating to the deductible | | | | |
| of temporary difference | (5,648,406) | (3,691,025) | - | - |
| Use of tax loss carry forward | 80,166 | 3,691,025 | - | - |
| Income tax – expenses | <u>(35,902,797)</u> | <u>(9,677,326)</u> | <u>(30,248,748)</u> | <u>(5,980,627)</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, 2017 and December 31, 2016 are as follows:

| | CONSOLIDATED | | SEPARATE | |
|--|----------------------|---------------|----------------------|---------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| 2017 | 2016 | 2017 | 2016 | |
| Baht | Baht | Baht | Baht | |
| Subsidiaries | | | | |
| Solaris Asset Management Co., Ltd. | | | | |
| Investment in subsidiary (see Note 9) | - | - | 93,901,322 | 98,832,285 |
| Investment in private fund managed by subsidiary | 56,454,375 | 57,258,259 | 56,454,375 | 57,258,259 |
| Investment in debt securities - Bill of exchange | - | - | 102,027,397 | - |
| Accrued private fund management fee expenses | - | - | 24,993 | 25,805 |
| Lumpini Asset Management Co., Ltd. | | | | |
| Investment in subsidiary (see Note 9) | - | - | 25,000,000 | 25,000,000 |
| Associates | | | | |
| KT ZMICO Securities Co., Ltd. | | | | |
| Investment in associate (see Note 9) | 1,323,975,323 | 1,377,157,471 | 1,244,095,520 | 1,244,095,520 |
| Cash balance for securities trading | 2,798,629 | 9,790,951 | 2,798,629 | 9,790,951 |
| Other receivables | 38,558 | 2,500 | 38,558 | 2,500 |
| Other payables | 447,138 | 611,823 | 447,138 | 611,823 |

| | CONSOLIDATED | | SEPARATE | |
|--|----------------------|--------------|----------------------|--------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at | As at | As at | As at |
| | June 30, | December 31, | June 30, | December 31, |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Scentimental (Thailand) Co., Ltd. | | | | |
| Investment in associate (see Note 9) | 9,821,222 | - | 13,800,000 | - |
| Investment in debt securities - Bill of Exchange | 28,578,898 | - | 28,578,898 | - |
| Absolute Yoga Co., Ltd. | | | | |
| Investment in associate (see Note 9) | 214,979,995 | - | 217,800,000 | - |
| Related companies | | | | |
| Under common directors | | | | |
| Thanh Cong Securities Joint Stock Company | | | | |
| Investment in ordinary shares - net | 90,380,038 | 104,796,263 | 90,380,038 | 104,796,263 |
| KTZ Ruby Hill Securities Co., Ltd. | | | | |
| Advance payment for investment in Myanmar | 50,721,750 | 53,488,200 | 50,721,750 | 53,488,200 |
| Thai Foods Group Plc. | | | | |
| Investment in ordinary shares | 229,068,440 | 281,818,320 | 229,068,440 | 281,818,320 |

Significant transactions with related parties for the three-month periods ended June 30, 2017 and 2016 are as follows:

| | CONSOLIDATED | | SEPARATE | | Pricing policy |
|--|-----------------------------|------------|-----------------------------|------------|---|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | | |
| | For the three-month periods | | For the three-month periods | | |
| | ended June 30, | | ended June 30, | | |
| | 2017 | 2016 | 2017 | 2016 | |
| | Baht | Baht | Baht | Baht | |
| Subsidiaries | | | | | |
| Solaris Asset Management Co., Ltd. | | | | | |
| Management fee of private fund | - | - | 76,390 | 78,081 | At the rate determined under the contract |
| | | | | | 0.2% of net asset value per year |
| Interest received from Bill of exchange | - | - | 719,278 | - | At the rate determined under the contract |
| Investment in Bill of exchange | - | - | 100,000,000 | - | Investment value |
| Withdrawal from Bill of exchange | - | - | 125,000,000 | - | Investment value |
| Lumpini Asset Management Co., Ltd. | | | | | |
| Rental income | - | - | 66,150 | 44,100 | At the rate determined under the contract |
| Associates | | | | | |
| KT ZMICO Securities Co., Ltd. | | | | | |
| Research fee | 750,000 | 750,000 | 750,000 | 750,000 | At the rate determined under the contract of Baht 250,000 per month (see Note 31.3) |
| Service expenses | 1,308,075 | 592,500 | 1,308,075 | 592,500 | At the rate determined under the contract (see Note 31.1) |
| Other fee expenses | 258,266 | 328,915 | 258,266 | 328,915 | At the rate determined under the contract |
| Beacon Offshore Ltd. | | | | | |
| Interest received from Bill of exchange | - | 320,887 | - | 320,887 | At the rate determined under the contract |
| Investment in Bill of exchange | - | 17,628,489 | - | 17,628,489 | Investment value |
| Withdrawal from Bill of exchange | - | 35,040,026 | - | 35,040,026 | Investment value |
| Scentimental (Thailand) Co., Ltd. | | | | | |
| Interest received from Bill of exchange | 704,961 | - | 704,961 | - | At the rate determined under the contract |
| Investment in Bill of exchange | 14,298,773 | - | 14,298,773 | - | Investment value |
| Withdrawal from Bill of exchange | 14,295,039 | - | 14,295,039 | - | Investment value |
| Related with subsidiary and associate | | | | | |
| Selling agent fee expense | 249 | 282,184 | 249 | 282,184 | At the rate determined under the contract |
| 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 | 105 | 155 | 105 | 155 | At the rate determined under the contract |

Significant transactions with related parties for the six-month periods ended June 30, 2017 and 2016 are as follows:

| | CONSOLIDATED | | SEPARATE | | Pricing policy |
|--|--|------------|--|------------|---|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | | |
| | For the six-month periods ended June 30, | | For the six-month periods ended June 30, | | |
| | 2017 | 2016 | 2017 | 2016 | |
| | Baht | Baht | Baht | Baht | |
| Subsidiaries | | | | | |
| Solaris Asset Management Co., Ltd. | | | | | |
| Management fee of private fund | - | - | 153,517 | 153,117 | At the rate determined under the contract 0.2% of net asset value per year |
| Interest received from Bill of exchange | - | - | 1,198,730 | - | At the rate determined under the contract |
| Investment in Bill of exchange | - | - | 350,000,000 | - | Investment value |
| Withdrawal from Bill of exchange | - | - | 250,000,000 | - | Investment value |
| Lumpini Asset Management Co., Ltd. | | | | | |
| Rental income | - | - | 132,300 | 44,100 | At the rate determined under the contract |
| Associates | | | | | |
| KT ZMICO Securities Co., Ltd. | | | | | |
| Dividend received | - | - | - | 21,896,272 | 2016: 128,801,600 Share 0.17 baht/Share |
| Research fee | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | At the rate determined under the contract of Baht 250,000 per month (see Note 31.3) |
| Service expenses | 2,616,150 | 1,185,000 | 2,616,150 | 1,185,000 | At the rate determined under the contract (see Note 31.1) |
| Other fee expenses | 912,945 | 328,915 | 912,945 | 328,915 | At the rate determined under the contract |
| Beacon Offshore Ltd. | | | | | |
| Interest received from Bill of exchange | - | 542,239 | - | 542,239 | At the rate determined under the contract |
| Investment in Bill of exchange | - | 35,040,026 | - | 35,040,026 | Investment value |
| Withdrawal from Bill of exchange | - | 52,230,163 | - | 52,230,163 | Investment value |
| Sentimental (Thailand) Co., Ltd. | | | | | |
| Interest received from Bill of exchange | 1,424,836 | - | 1,424,836 | - | At the rate determined under the contract |
| Investment in Bill of exchange | 28,578,899 | - | 28,578,899 | - | Investment value |
| Withdrawal from Bill of exchange | 28,575,164 | - | 28,575,164 | - | Investment value |
| Related with subsidiary and associate | | | | | |
| Selling agent fee expense | 549 | 741,480 | 549 | 741,480 | At the rate determined under the contract |
| 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 | 8,312 | 2,721 | 8,312 | 2,721 | At the rate determined under the contract |

For the three-month and six-month periods ended June 30, 2017 and, compensations paid to key management personnel under TAS 24 (Revised 2016) "Related Party Disclosures" are as follows:

| | CONSOLIDATED | | SEPARATE | |
|------------------------------|--|------------------|--|------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the three-month periods ended June 30, | | For the three-month periods ended June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Short-term employee benefits | 1,848,759 | 1,780,943 | 976,211 | 941,865 |
| Post-employment benefits | 208,825 | 182,253 | 171,860 | 152,729 |
| Total | <u>2,057,584</u> | <u>1,963,196</u> | <u>1,148,071</u> | <u>1,094,594</u> |

| | CONSOLIDATED | | SEPARATE | |
|------------------------------|---------------------------------|------------------|---------------------------------|------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | For the six-month periods ended | | For the six-month periods ended | |
| | June 30, | | June 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht | Baht | Baht | Baht |
| Short-term employee benefits | 3,697,518 | 3,561,886 | 1,952,421 | 1,883,730 |
| Post-employment benefits | 417,648 | 364,506 | 343,718 | 305,458 |
| Total | <u>4,115,166</u> | <u>3,926,392</u> | <u>2,296,139</u> | <u>2,189,188</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. Subsequently, on July 3, 2017, the Company made the agreement to change the fee to be Baht 60,000 per month from July 3, 2017 to June 30, 2018. The agreement is automatically extended on an annual basis.

On June 30, 2016, the Company entered into agreement with KT ZMICO Securities Company Limited for providing management service of operating. The term of agreement is one year. The term of agreement is from July 1, 2016 to June 30, 2017. The agreement is automatically extended for three months each, unless by earlier mutual termination of which the Company pays monthly fee and the rate of Baht 210,000.

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 October 17, 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-year 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, 2017 and December 31, 2016, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

| | (Unit: Million Baht) | | | |
|------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | CONSOLIDATED | | SEPARATE | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | As at June 30, 2017 | As at December 31, 2016 | As at June 30, 2017 | As at December 31, 2016 |
| Within 1 year | 3.4 | 3.4 | 2.3 | 2.3 |
| Over 1 year to 5 years | 2.0 | 3.7 | 1.4 | 2.5 |
| Total | <u>5.4</u> | <u>7.1</u> | <u>3.7</u> | <u>4.8</u> |

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, 2017 and 2016 are as follows:

| | (Unit: Thousand Baht) | | | | |
|---|--|--------------------------------|-------------------------------------|---|--|
| | For the three-month period ended June 30, 2017 | | | | |
| | Securities segment | Asset Management Segment | Investment And others Segment | Elimination of inter-segment revenues | Consolidated Financial Statement |
| Revenue from external customers | (53,643) | 2,549 | (10,833) | - | (61,927) |
| Inter - segment revenues | - | - | - | - | - |
| Total revenues | <u>(53,643)</u> | <u>2,549</u> | <u>(10,833)</u> | <u>-</u> | <u>(61,927)</u> |
| Segment income | (53,643) | (11,031) | (10,833) | - | (75,507) |
| Unallocated income and expenses : | | | | | |
| Gain on transfer of business to the associated company | | | | | 14 |
| Other income | | | | | 822 |
| Servicing and administrative expenses | | | | | (15,685) |
| Income tax - income | | | | | <u>1,963</u> |
| Net income (loss) | | | | | <u>(88,393)</u> |

(Unit: Thousand Baht)

| For the three-month period ended June 30, 2016 | | | | | |
|---|-----------------------|--------------------------------|-------------------------------------|---|--|
| | Securities segment | Asset Management Segment | Investment And others Segment | Elimination of inter-segment revenues | Consolidated Financial Statement |
| Revenue from external customers | 15,269 | 28,986 | 25,464 | - | 69,719 |
| Inter - segment revenues | - | - | - | - | - |
| Total revenues | <u>15,269</u> | <u>28,986</u> | <u>25,464</u> | <u>-</u> | <u>69,719</u> |
| Segment income | 15,269 | 10,826 | 25,464 | - | 51,559 |
| Unallocated income and expenses : | | | | | |
| Gain on transfer of business to the associated company | | | | | 14 |
| Other income | | | | | 2,439 |
| Servicing and administrative expenses | | | | | (20,311) |
| Income tax - expenses | | | | | <u>(3,761)</u> |
| Net income | | | | | <u>29,940</u> |

(Unit: Thousand Baht)

| For the six-month period ended June 30, 2017 | | | | | |
|---|-----------------------|--------------------------------|-------------------------------------|---|--|
| | Securities segment | Asset Management Segment | Investment And others Segment | Elimination of inter-segment revenues | Consolidated Financial Statement |
| Revenue from external customers | (42,658) | 21,355 | 203,036 | - | 181,733 |
| Inter - segment revenues | - | - | - | - | - |
| Total revenues | <u>(42,658)</u> | <u>21,355</u> | <u>203,036</u> | <u>-</u> | <u>181,733</u> |
| Segment income | (42,658) | (5,349) | 203,036 | - | 155,029 |
| Unallocated income and expenses : | | | | | |
| Gain on transfer of business to the associated company | | | | | 28 |
| Other income | | | | | 1,626 |
| Servicing and administrative expenses | | | | | (47,776) |
| Income tax - expenses | | | | | <u>(35,903)</u> |
| Net income | | | | | <u>73,004</u> |

(Unit: Thousand Baht)

| For the six-month period ended June 30, 2016 | | | | | |
|---|-----------------------|--------------------------------|-------------------------------------|---|--|
| | Securities segment | Asset Management Segment | Investment And others Segment | Elimination of inter-segment revenues | Consolidated Financial Statement |
| Revenue from external customers | 23,869 | 57,352 | 56,402 | - | 137,623 |
| Inter - segment revenues | - | - | - | - | - |
| Total revenues | <u>23,869</u> | <u>57,352</u> | <u>56,402</u> | <u>-</u> | <u>137,623</u> |
| Segment income | 23,869 | 17,047 | 56,402 | - | 97,318 |
| Unallocated income and expenses : | | | | | |
| Gain on transfer of business to the associated company | | | | | 28 |
| Other income | | | | | 3,275 |
| Servicing and administrative expenses | | | | | (40,631) |
| Income tax - expenses | | | | | <u>(9,677)</u> |
| Net income | | | | | <u>50,313</u> |

Assets classified by segment of the Company as at June 30, 2017 and December 31, 2016 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, 2017 | 1,323,975 | 199,581 | 1,792,246 | 24,614 | 54,845 | 3,395,261 |
| As at December 31, 2016 | 1,381,979 | 109,191 | 1,481,978 | 24,613 | 341,318 | 3,339,079 |

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, 2017 and December 31, 2016, 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 No.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 Securities and Exchange Commission No. Kor Thor. 4/2557 regarding “Ongoing capital adequacy of some specific intermediaries”.

However, as at June 30, 2017, 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 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 Company cannot maintain the capital adequacy over the warning level, the Company 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, 2017, the subsidiary’s financial statements showed owners’ equity amounting of Baht 93.90 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, 2017 and December 31, 2016 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at June 30, 2017

Outstanding balances of net financial instruments

| | At call | Within 1 year | 1 - 5 years | Over 5 years | Not limit | Non- | Total |
|---------------------------------|------------|------------------|----------------|-----------------|--------------|---------------------------|--------------|
| | | | | | | performing receivables | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 169 | - | - | - | - | - | 169 |
| Securities business receivables | - | - | - | - | - | 63 | 63 |
| Investments | - | 951 | 16 | 11 | 589 | - | 1,567 |
| Total | 169 | 951 | 16 | 11 | 589 | 63 | 1,799 |
| Financial liabilities | | | | | | | |
| Other borrowing | - | 781 | - | - | - | - | 781 |
| Total | - | 781 | - | - | - | - | 781 |

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 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 | 376 | - | - | - | - | - | 376 |
| Securities business receivables | - | 4 | - | - | - | 63 | 67 |
| Investments | - | 776 | 16 | 11 | 679 | - | 1,482 |
| Total | 376 | 780 | 16 | 11 | 679 | 63 | 1,925 |
| Financial liabilities | | | | | | | |
| Securities business payable | - | 4 | - | - | - | - | 4 |
| Other borrowing | - | 468 | - | - | - | - | 468 |
| Total | - | 472 | - | - | - | - | 472 |

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2017

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 | 134 | - | - | - | - | - | 134 |
| Securities business receivables | - | - | - | - | - | 63 | 63 |
| Investments | - | 896 | 16 | 11 | 580 | - | 1,503 |
| Total | 134 | 896 | 16 | 11 | 580 | 63 | 1,700 |
| Financial liabilities | | | | | | | |
| Other borrowing | - | 781 | - | - | - | - | 781 |
| Total | - | 781 | - | - | - | - | 781 |

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December, 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 | 349 | - | - | - | - | - | 349 |
| Securities business receivables | - | 4 | - | - | - | 63 | 67 |
| Investments - net | - | 703 | 16 | 11 | 671 | - | 1,401 |
| Total | 349 | 707 | 16 | 11 | 671 | 63 | 1,817 |
| Financial liabilities | | | | | | | |
| Securities business payable | - | 4 | - | - | - | - | 4 |
| Other borrowing | - | 468 | - | - | - | - | 468 |
| Total | - | 472 | - | - | - | - | 472 |

33.2 Significant financial instruments risk

As at June 30, 2017 and December 31, 2016, 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, 2017 | | | | | | | | | | |
| Outstanding balances of net financial instruments | | | | | | | | | | |
| Reprising or maturity dates | | | | | | | | | | |
| | Floating interest rate | Within | | | | Non-performing receivables | No interest | Total | Interest rate (Percent) | |
| | | At call | 1 year | 1-5 years | Over 5 years | | | | Floating rate | Fixed rate |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 143 | - | - | - | - | - | 26 | 169 | 0.375-1.20 | - |
| Securities business receivables | - | - | - | - | - | 63 | - | 63 | - | - |
| Investments | - | - | 951 | 16 | 11 | - | 589 | 1,567 | - | 1.75 |
| Total | 143 | - | 951 | 16 | 11 | 63 | 615 | 1,799 | | |
| Financial liabilities | | | | | | | | | | |
| Other borrowing | - | - | 781 | - | - | - | - | 781 | - | 3.65-4.00 |
| Total | - | - | 781 | - | - | - | - | 781 | | |

| (Unit : Million Baht) | | | | | | | | | | |
|---|------------------------|----------|------------|-----------|--------------|----------------------------|-------------|--------------|-------------------------|--------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | | | |
| As at December 31, 2016 | | | | | | | | | | |
| Outstanding balances of net financial instruments | | | | | | | | | | |
| Reprising or maturity dates | | | | | | | | | | |
| | Floating interest rate | Within | | | | Non-performing receivables | No interest | Total | Interest rate (Percent) | |
| | | At call | 1 year | 1-5 years | Over 5 years | | | | Floating rate | Fixed rate |
| Financial assets | | | | | | | | | | |
| Cash and cash equivalents | 339 | - | - | - | - | - | 37 | 376 | 0.375 - 1.15 | - |
| Securities business receivables | - | - | 4 | - | - | 63 | - | 67 | - | - |
| Investments | - | - | 776 | 16 | 11 | - | 679 | 1,482 | - | 2.25 – 13.00 |
| Total | 339 | - | 780 | 16 | 11 | 63 | 716 | 1,925 | | |
| Financial liabilities | | | | | | | | | | |
| Securities business payable | - | - | 4 | - | - | - | - | 4 | - | - |
| Other borrowing | - | - | 468 | - | - | - | - | 468 | - | 3.45 - 3.60 |
| Total | - | - | 472 | - | - | - | - | 472 | | |

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2017

Outstanding balances of net financial instruments

Repricing or maturity dates

| | Floating interest rate | At call | Within | | | Non- 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 | 115 | - | - | - | - | - | 19 | 134 | 0.375 - 1.20 | - |
| Securities business receivables | - | - | - | - | - | 63 | - | 63 | - | - |
| Investments | - | - | 896 | 16 | 11 | - | 580 | 1,503 | - | - |
| Total | <u>115</u> | <u>-</u> | <u>896</u> | <u>16</u> | <u>11</u> | <u>63</u> | <u>599</u> | <u>1,700</u> | | |
| Financial liabilities | | | | | | | | | | |
| Other borrowing | - | - | 781 | - | - | - | - | 781 | - | 3.65 - 4.00 |
| Total | <u>-</u> | <u>-</u> | <u>781</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>781</u> | | |

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2016

Outstanding balances of net financial instruments

Repricing or maturity dates

| | Floating interest rate | At call | Within | | | Non- 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 | 326 | - | - | - | - | - | 23 | 349 | 0.375 - 1.15 | - |
| Securities business receivables | - | - | 4 | - | - | 63 | - | 67 | - | - |
| Investments | - | - | 703 | 16 | 11 | - | 671 | 1,401 | - | 13.00 |
| Total | <u>326</u> | <u>-</u> | <u>707</u> | <u>16</u> | <u>11</u> | <u>63</u> | <u>694</u> | <u>1,817</u> | | |
| Financial liabilities | | | | | | | | | | |
| Securities business payable | - | - | 4 | - | - | - | - | 4 | - | - |
| Other borrowing | - | - | 468 | - | - | - | - | 468 | - | 3.45 - 3.60 |
| Total | <u>-</u> | <u>-</u> | <u>472</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>472</u> | | |

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, 2017

| Financial Instruments | Average balance | Interest income / Interest expense | Average yield (Percent) |
|----------------------------------|-----------------|---------------------------------------|----------------------------|
| Financial assets | | | |
| Cash and cash equivalents | 351,879,980 | 1,734,436 | 0.99 |
| Deposit at financial institution | 64,314,506 | 2,869,095 | 8.92 |
| Investment in debt securities | 844,258,972 | 20,240,616 | 4.79 |
| Financial liabilities | | | |
| Other borrowing | 736,666,667 | 12,987,932 | 3.53 |

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2016

| Financial Instruments | Average balance | Interest income / Interest expense | Average yield (Percent) |
|----------------------------------|-----------------|---------------------------------------|----------------------------|
| Financial assets | | | |
| Cash and cash equivalents | 294,386,159 | 2,822,586 | 0.96 |
| Deposit at financial institution | 98,275,061 | 7,000,131 | 7.12 |
| Investment in debt securities | 835,448,897 | 75,064,403 | 8.98 |
| Financial liabilities | | | |
| Other borrowing | 628,833,333 | 22,290,259 | 3.55 |

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS
As at June 30, 2017

| Financial Instruments | Average balance | Interest income / Interest expense | Average yield (Percent) |
|----------------------------------|-----------------|---------------------------------------|----------------------------|
| Financial assets | | | |
| Cash and cash equivalents | 323,557,458 | 1,698,427 | 1.05 |
| Deposit at financial institution | 41,244,325 | 2,645,644 | 12.83 |
| Investment in debt securities | 799,054,529 | 23,466,643 | 5.87 |
| Financial liabilities | | | |
| Other borrowing | 736,666,667 | 12,987,932 | 3.53 |

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS
As at December 31, 2016

| Financial Instruments | Average balance | Interest income / Interest expense | Average yield (Percent) |
|----------------------------------|-----------------|---------------------------------------|----------------------------|
| Financial assets | | | |
| Cash and cash equivalents | 242,317,397 | 2,559,407 | 1.06 |
| Deposit at financial institution | 50,398,697 | 6,423,368 | 12.75 |
| Investment in debt securities | 835,448,897 | 75,064,403 | 8.98 |
| Financial liabilities | | | |
| Other borrowing | 628,333,333 | 22,290,259 | 3.55 |

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, 2017, the Company had unhedged foreign currency - denominated assets as follows:

| Asset | Foreign currency | Amount (Unit: thousand) | Exchange rate (Baht per foreign exchange rate) as at June 30, 2017 |
|-----------------|--------------------------------------|-------------------------------|--|
| Ordinary shares | | | |
| EDL-GEN | Lao People's Democratic Republic LAK | 8,322,693 | 0.0041 |
| DBC | Vietnamese VND | 6,287,378 | 0.0015 |
| AMC III | United States USD | 600 | 33.7340 |

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 and determined.

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS

| Financial assets/ Financial liabilities | Fair value | | Fair value hierarchy | Valuation techniques and key inputs |
|--|------------------|----------------------|----------------------------|--|
| | June 30, 2017 | December 31, 2016 | | |
| <u>Financial Assets</u> | | | | |
| Investments - Net | | | | |
| Trading securities | | | | |
| Listed securities | 287,605,837 | 90,274,004 | 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 |
| Debt securities - Government bond | 24,961,702 | - | 2 | Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association |
| Debt securities - Corporate bond | 26,964,258 | 26,824,556 | 2 | Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association |
| Debt securities - Bill of exchange | 928,625,722 | 702,906,321 | 2 | Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period |
| Available-for-sale securities | | | | |
| Equity securities | 4,659,386 | 288,327,412 | 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, 2017 | Fair value December 31, 2016 | | |
| <u>Financial Assets</u> | | | | |
| Investments - Net | | | | |
| Trading securities | | | | |
| Listed securities | 278,911,287 | 82,339,254 | 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 |
| Debt securities - Government bond | 24,961,702 | - | 2 | Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association |
| Debt securities - Corporate bond | 26,964,258 | 26,824,556 | 2 | Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association |
| Debt securities - Bill of exchange | 895,622,982 | 653,130,918 | 2 | Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period |
| Available-for-sale securities | | | | |
| Equity securities | 4,659,386 | 288,327,412 | 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, 2017 | | | |
| | Carrying Amount Baht | Fair Value Baht | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 168,531,550 | 168,531,550 | 3 | Net present value of expected cash inflow |
| Held to-maturity investments | 23,105,272 | 23,105,272 | 3 | Net present value of expected cash inflow |
| General Investment Equity securities | 271,522,435 | 271,522,435 | 3 | Net asset value of invested company |
| <u>Financial liabilities</u> | | | | |
| Loan from financial institutions | 781,368,142 | 781,368,142 | 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, 2016 | | | |
| | Carrying Amount Baht | Fair Value Baht | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 376,365,581 | 376,365,581 | 3 | Net present value of expected cash inflow |
| Securities and derivatives business receivables | 4,821,854 | 4,821,854 | 3 | Net present value of expected cash inflow |
| Held to-maturity investments | 73,356,186 | 75,916,038 | 3 | Net present value of expected cash inflow |
| General Investment Equity securities | 300,289,731 | 300,289,731 | 3 | Net asset value of invested company |
| <u>Financial liabilities</u> | | | | |
| Loan from financial institutions | 467,778,822 | 467,778,822 | 3 | Net present value of expected cash outflow |
| Securities and derivatives business payables | 4,125,256 | 4,125,256 | 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, 2017 | | | |
| | Carrying Amount Baht | Fair Value Baht | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 134,047,341 | 134,047,341 | 3 | Net present value of expected cash inflow |
| General Investment Equity securities | 271,522,435 | 271,522,435 | 3 | Net asset value of invested company |
| <u>Financial liabilities</u> | | | | |
| Loan from financial institutions | 781,368,142 | 781,368,142 | 3 | Net present value of expected cash outflow |

(Unit : Baht)

| | SEPARATE FINANCIAL STATEMENTS | | Fair value hierarchy | Valuation techniques and key inputs |
|---|-------------------------------|--------------------|----------------------|--|
| | As at December 31, 2016 | | | |
| | Carrying Amount Baht | Fair Value Baht | | |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 348,668,156 | 348,668,156 | 3 | Net present value of expected cash inflow |
| Securities and derivatives business receivables | 4,821,854 | 4,821,854 | 3 | Net present value of expected cash inflow |
| Held to-maturity investments | 50,356,186 | 52,916,038 | 3 | Net present value of expected cash inflow |
| General Investment Equity securities | 300,289,731 | 300,289,731 | 3 | Net asset value of invested |
| <u>Financial liabilities</u> | | | | |
| Loan from financial institutions | 467,778,822 | 467,778,822 | 3 | Net present value of expected cash outflow |
| Securities and derivatives business payables | 4,125,256 | 4,125,256 | 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, 2017 and 2016, the Company recognized additional gain on transfer of business to the associated company of Baht 0.01 million.

For the six-month periods ended June 30, 2017 and 2016, the Company recognized additional gain on transfer of business to the associated company of Baht 0.03 million.

As at June 30, 2017 and December 31, 2016 the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.31 million and Baht 148.34 million, respectively.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on August 24, 2017.