

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND THE SIX-MONTH PERIOD ENDED JUNE 30, 2018**

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

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 onwards.

Moreover, 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.

On July 11, 2018, the Company was granted by The Stock Exchange of Thailand to extend the recommencing its securities brokerage business operation to December 31, 2019 according to the letter No. BorSorChor.0002/2561.

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

The Company has subsidiaries as follows:

1. Solaris Asset Management Co., Ltd. (“Solaris”) 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. (“Lumpini”) 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.

A subsidiary has net loss of Baht 15.61 million for the six-month period ended June 30, 2018 and as at June 30, 2018, the subsidiary has accumulated loss of Baht 165.95 million and the Subsidiary cannot maintain its capital adequacy according to the requirement of the Office of the Securities and Exchange Commission. This is the reason that the subsidiary temporarily stopped its business activities in order to solve such issues in accordance with the Office of the Securities and Exchange Commission regulations and also the subsidiary has to report any progresses or developments on the issues to the Office of the Securities and Exchange Commission until it could comply with the regulations. Subsequently, the regulation relating to a liquid capital requirement has been relaxed and the subsidiary change in their organization structures. These effects to significant decrease in forecasted expenses to be used in calculating a liquid capital and the subsidiary also received financial support from the major shareholder. It caused an effect to the subsidiary is able to maintain liquid capital according to the subsidiary’s policies to reactivate its fund management business (see Note 34.1).

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company prepares its financial statements in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 (Revised 2017) “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 onwards.

- 2.3 The consolidated financial statements for the three-month and the six-month periods ended June 30, 2018 and 2017 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, 2018 and 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.

- 2.4 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

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

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, 2018. 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.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

4.1 Revenue and expense recognition

Brokerage fees

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

Fees and service income

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

Interest on margin loans

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

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

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

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

Gain (loss) on trading in securities and derivatives

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

Interest and dividend on investments in securities

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

Expenses

Expenses are recognized on an accrual basis.

4.2 Interest on borrowing

Interest on borrowing is recognized as expense on an accrual basis.

4.3 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities trading is recorded as the assets and liabilities of the Company for internal control purposes. At the end of reporting period, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the Company.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, current accounts, saving accounts, time deposit with original maturity not more than 3 months and without commitments, call note receivables and term note receivables with original maturity not more than 3 months. This accords with the Notification issued by the Office of the Securities and Exchange Commission.

4.5 Investments in debt and equity securities

Investments in securities held for trading are determined at fair value. Gain or loss arising from change in value of securities is included in the statements of comprehensive income.

Investments in available-for-sale securities, both held for short-term and long-term investments, are determined at fair value. The change in value of securities is recorded in other components of equity until securities are sold, then, the change shall be included in the profit or loss in statement of comprehensive income.

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

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

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

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

Loss on impairment (if any) of investments in available-for-sale securities and general investments are included in statement of 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 2 working days and 1 working day, respectively, after the securities and derivatives purchasing date. Loans for securities purchases are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue receivables from securities and derivatives businesses of cash accounts and restructured or installment receivables.

The allowance for doubtful accounts on securities and derivatives business receivables is based on management’s review and assessment of the status of individual debtor and overall debtors as well as the requirements as stated in the Office of the Securities and Exchange Commission’s Notifications No. Kor Thor. 33/2543 and Kor Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively. Such assessment takes into consideration various factors including the risks involved and the value of collateral.

Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full. The Company has provided an allowance for doubtful debts based on a review of debtor’s repayment capability, taking into consideration risk in recovery and value of collateral. An allowance will be set aside for doubtful debts not fully covered by collateral and/or debtors which are expectable not to be recovered in full. Such debt classifications and provisions are in accordance with guidelines of the Office of the Securities and Exchange Commission as follows:

- a) Assets classified as loss are to satisfy the following criteria:
 - 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
 - 2) Loan balances which the Company has forgiven
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
 - 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
 - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
 - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

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

4.9 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation.

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

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

Impairment

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

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

4.10 Assets classified as held for sale

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

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

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

4.11 Intangible assets

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

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

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

4.12 Securities and derivatives business payables

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

4.13 Long-term lease

4.13.1 Operating lease

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

4.14 Employee benefits

4.14.1 Provident fund

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

4.14.2 Post-employment benefits

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company's retirement benefits plan. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Gains or losses from changes in estimate are recognized as other comprehensive income in the statements of comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the statements of 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 reliable 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 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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	387,775,460	342,458,733	383,593,484	324,854,543
<u>Less</u> Cash deposits held for customers*	<u>(12,278,876)</u>	<u>(12,137,303)</u>	<u>(12,253,130)</u>	<u>(12,136,303)</u>
Total cash and cash equivalents	<u>375,496,584</u>	<u>330,321,430</u>	<u>371,340,354</u>	<u>312,718,240</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, 2018 and December 31, 2017, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.28 million and Baht 12.14 million, respectively, and the separate statements of financial position in amounting to Baht 12.25 million and Baht 12.14 million, respectively, which the Company must return to the customers at call.

As at June 30, 2018 and December 31, 2017, the securities business customers with outstanding balance of 446 accounts and 428 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 35), 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 4.42 million and Baht 4.31 million, respectively, and shares with the values of Baht 125.26 million and Baht 152.67 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 June 30, 2018 Baht	As at December 31, 2017 Baht
Securities business receivables	5,922,831	-
Other receivables		
Receivables under litigation	62,654,566	62,654,566
Total securities business receivables	<u>68,577,397</u>	<u>62,654,566</u>
<u>Less</u> Allowance for doubtful accounts (see Note 7)	<u>(62,654,566)</u>	<u>(62,654,566)</u>
Total	<u>5,922,831</u>	<u>-</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, 2018			As at December 31, 2017		
	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	5,922,831	-	5,922,831	-	-	-
Substandard debts	-	-	-	-	-	-
Doubtful debts	62,654,566	(62,654,566)	-	62,654,566	(62,654,566)	-
Total	<u>68,577,397</u>	<u>(62,654,566)</u>	<u>5,922,831</u>	<u>62,654,566</u>	<u>(62,654,566)</u>	<u>-</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Over 3 years	62,654,566	62,654,566
Total	<u>62,654,566</u>	<u>62,654,566</u>

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Beginning balance of the period	62,654,566	62,654,566
Doubtful accounts	-	-
Ending balance of the period (see Note 6)	<u>62,654,566</u>	<u>62,654,566</u>

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, 2018		As at December 31, 2017	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - Listed securities	288,426,708	182,117,866	277,495,814	245,972,314
Equity securities – Unit trust	17,520,000	17,526,977	-	-
Debt securities - Corporate bond	189,976,548	191,842,779	25,309,476	27,024,289
Debt securities - Bill of exchange	545,296,780	449,892,179	693,381,940	599,810,912
Total	<u>1,041,220,036</u>	<u>841,379,801</u>	<u>996,187,230</u>	<u>872,807,515</u>
<u>Less</u> Revaluation adjustments	(94,840,235)	-	(18,379,715)	-
<u>Less</u> Allowance for impairment	<u>(105,000,000)</u>	-	<u>(105,000,000)</u>	-
Total trading securities	<u>841,379,801</u>	<u>841,379,801</u>	<u>872,807,515</u>	<u>872,807,515</u>
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	56,633,324	54,887,420	7,351,996	4,425,246
<u>Less</u> Revaluation adjustments	<u>(1,745,904)</u>	-	<u>(2,926,750)</u>	-
Total available-for-sale securities	<u>54,887,420</u>	<u>54,887,420</u>	<u>4,425,246</u>	<u>4,425,246</u>
<u>Held to-maturity investments</u>				
Deposits at financial institutions	<u>23,266,454</u>	<u>23,266,454</u>	<u>23,191,912</u>	<u>23,191,912</u>
Total held-to-maturity investments	<u>23,266,454</u>	<u>23,266,454</u>	<u>23,191,912</u>	<u>23,191,912</u>
<u>General investments</u>				
Ordinary shares	207,268,270	201,861,649	338,032,114	262,401,202
Preference shares	125,000	125,000	125,000	125,000
Total	<u>207,393,270</u>	<u>201,986,649</u>	<u>338,157,114</u>	<u>262,526,202</u>
<u>Less</u> Allowance for impairment	<u>(5,406,621)</u>	-	<u>(75,630,912)</u>	-
Total general investments	<u>201,986,649</u>	<u>201,986,649</u>	<u>262,526,202</u>	<u>262,526,202</u>
Total investments	<u>1,121,520,324</u>	<u>1,121,520,324</u>	<u>1,162,950,875</u>	<u>1,162,950,875</u>

SEPARATE FINANCIAL STATEMENTS

	As at June 30, 2018		As at December 31, 2017	
	Cost/		Cost/	
	Book value	Fair value	Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - Listed securities	288,426,708	182,117,866	277,495,814	245,972,314
Equity securities – Unit trust	17,520,000	17,526,977	-	-
Debt securities - Corporate bond	189,976,548	191,842,779	25,309,476	27,024,289
Debt securities - Bill of exchange	422,736,548	432,331,947	651,381,940	638,866,087
Total	918,659,804	823,819,569	954,187,230	911,862,690
<u>Less</u> Revaluation adjustments	(94,840,235)	-	(16,692,044)	-
<u>Less</u> Allowance for impairment	-	-	(25,632,496)	-
Total trading securities	823,819,569	823,819,569	911,862,690	911,862,690
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	56,633,324	54,887,420	7,351,996	4,425,246
<u>Less</u> Revaluation adjustments	(1,745,904)	-	(2,926,750)	-
Total available-for-sale securities	54,887,420	54,887,420	4,425,246	4,425,246
<u>General investments</u>				
Ordinary shares	207,268,270	201,861,649	338,032,114	262,401,202
Preference shares	125,000	125,000	125,000	125,000
Total	207,393,270	201,986,649	338,157,114	262,526,202
<u>Less</u> Allowance for impairment	(5,406,621)	-	(75,630,912)	-
Total general investments	201,986,649	201,986,649	262,526,202	262,526,202
Total investments	1,080,693,638	1,080,693,638	1,178,814,138	1,178,814,138

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.

As at December 31, 2017, the subsidiary provided additional allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million in the consolidated financial statements which resulted to the Company provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million in the separate financial statements (see Note 10).

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

CONSOLIDATED FINANCIAL STATEMENTS				
As at June 30, 2018				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Deposits at financial institutions	23,266,454	-	-	23,266,454
Total held-to-maturity investments	23,266,454	-	-	23,266,454

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2017				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Deposits at financial institutions	23,191,912	-	-	23,191,912
Total held-to-maturity investments	23,191,912	-	-	23,191,912

(The separate financial statements as at June 30, 2018 and December 31, 2017, held-to-maturity investments: nil.)

8.3 Gain (loss) 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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning balance of the period	3,540,197	175,028,622	3,540,197	175,028,622
Changes during the period				
- from deferred tax adjustment	(236,169)	42,872,106	(236,169)	42,872,106
- from re-measuring of investments	1,180,846	(33,801,686)	1,180,846	(33,801,686)
- from change of investment classification	-	(180,558,845)	-	(180,558,845)
Ending balance of the period	4,484,874	3,540,197	4,484,874	3,540,197

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, 2018			As at December 31, 2017		
	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht	Cost/ Book value Baht	Fair value Baht	Allowance for impairment loss Baht
Ordinary shares	7,808	962	6,846	7,808	879	6,929
	<u>7,808</u>	<u>962</u>	<u>6,846</u>	<u>7,808</u>	<u>879</u>	<u>6,929</u>

9. SHORT-TERM LOANS TO RELATED PARTIES

As at June 30, 2018, the Company has short-term loans to subsidiary amounting to Baht 2 million and accrued interest amounting to Baht 3,288 which without collateral and having interest at rate of 5% per annum. Such short-term loans will mature on December 19, 2018 (as at December 31, 2017: Nil).

10. 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 invested	CONSOLIDATED FINANCIAL STATEMENTS							
			Paid-up capital		% of voting right		Cost method		Equity method	
			As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
			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	1,366.6	1,355.3
Scentimental (Thailand) Co., Ltd	Import Export Retail and whole sale perfume and cosmetics	Ordinary share	30.0	30.0	46.00	46.00	13.8	13.8	11.8	14.2
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	196.9	210.8
							<u>1,475.7</u>	<u>1,475.7</u>	<u>1,575.3</u>	<u>1,580.3</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, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries										
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund management	Ordinary share	205.4	125.4	100.00	100.00	255.8	173.1	42.2	(25.6)
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.00	100.00	25.0	25.0	24.4	24.5
<u>Less</u> Allowance for impairment							(213.6)	(173.1)	-	-
							<u>67.2</u>	<u>25.0</u>	<u>66.6</u>	<u>(1.1)</u>
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	1,366.6	1,355.3
Scentimental (Thailand) Co., Ltd.	Import and whole sale perfume and cosmetics	Ordinary share	30.0	30.0	46.00	46.00	13.8	13.8	11.8	14.2
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.0	30.00	217.8	217.8	196.9	210.8
							<u>1,475.7</u>	<u>1,475.7</u>	<u>1,575.3</u>	<u>1,580.3</u>
							<u>1,542.9</u>	<u>1,500.7</u>	<u>1,641.9</u>	<u>1,579.2</u>

In August 2017, the subsidiary sued an issuer of bill of exchange of Baht 105.00 million because the issuer cannot make repayment when the Bill of Exchange was matured, therefore the subsidiary provided allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million presented in the consolidated financial statements as at December 31, 2017. For the separate financial statements, the Company provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million (see Note 8).

Summarized financial information in respect of the associated companies in the financial statements which calculated by the percentage of shareholding are as follows:

	As at June 30, 2018			As at December 31, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total assets	3,489.3	153.2	3,642.5	4,403.8	162.9	4,566.7
Total liabilities	(2,289.2)	(107.9)	(2,397.1)	(3,215.1)	(95.4)	(3,310.5)
Net assets	1,200.1	45.3	1,245.4	1,188.7	67.5	1,256.2

	For the three-month period ended June 30, 2018			For the three-month period ended June 30, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total revenue	179.0	39.5	218.5	151.3	30.3	181.6
Share of profit (loss) from investment in associates	10.0	(6.8)	3.2	(53.6)	(6.7)	(60.3)
Net other comprehensive income(loss) for the period	3.0	-	3.0	(8.4)	-	(8.4)

	For the six-month period ended June 30, 2018			For the six-month period ended June 30, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total revenue	367.2	78.7	445.9	341.4	29.6	371.0
Share of profit (loss) from investment in associates	17.3	(16.3)	1.0	(42.7)	(6.8)	(49.5)
Net other comprehensive income(loss) for the period	(6.0)	-	(6.0)	(10.5)	-	(10.5)

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 paid-up share capital 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 paid-up share capital of the Company in the associated company.

On March 15, 2018, the Extraordinary General Shareholders Meeting of Solaris Asset Management Co., Ltd. which is the Company's subsidiary passed a special resolution to increase the registered capital of Baht 80.00 million from Baht 125.40 million to Baht 205.40 million with the par value of Baht 10 per share and will be sold to the existing shareholders at the Baht 10.35 per or Baht 82,800,000 to be used as capital and to maintain the capital adequacy of Management Company according to Notification of the Office of the Securities and Exchange Commission. On April 26, 2018, the Company purchased such shares of Baht 82.80 million. The subsidiary registered the increase of its registered capital with the registered office of the Company on April 27, 2018.

As at June 30, 2018, the paid-up share capital of Solaris Asset Management Co., Ltd. is Baht 205.40 million consisting of 20,540,000 ordinary shares of Baht 10.00 per share and as at December 31, 2017, the paid-up share capital is Baht 125.40 million consisting of 22,800,000 ordinary shares of Baht 5.5 per share. As at June 30, 2018 and December 31, 2017, the subsidiary's shares are held by the Company 100%.

As at June 30, 2018 and December 31, 2017, the paid-up share capital of Lumpini Asset Management Co., Ltd. which is the Company's subsidiary is Baht 25.00 million, consisting of 2,500,000 ordinary shares of Baht 10.00 per share. As at June 30, 2018 and December 31, 2017, the subsidiary's shares are held by the Company 100%.

11. BUILDING IMPROVEMENTS AND EQUIPMENT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2018 Baht
Cost				
Building improvement	7,769,017	-	-	7,769,017
Office equipment	12,572,286	128,951	-	12,701,237
Vehicles	7,428,000	1,888,000	(1,938,000)	7,378,000
Total cost	<u>27,769,303</u>	<u>2,016,951</u>	<u>(1,938,000)</u>	<u>27,848,254</u>
Accumulated depreciation				
Building improvement	(6,414,725)	(503,962)	-	(6,918,687)
Office equipment	(11,401,930)	(460,657)	-	(11,862,587)
Vehicles	(1,478,430)	(734,962)	937,674	(1,275,718)
Total accumulated depreciation	<u>(19,295,085)</u>	<u>(1,699,581)</u>	<u>937,674</u>	<u>(20,056,992)</u>
Total building improvements and equipment	<u>8,474,218</u>			<u>7,791,262</u>

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>
Depreciation for the six-month periods ended June 30,				
2018				<u>1,699,581</u>
2017				<u>1,864,252</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2018 Baht
Cost				
Building improvement	4,863,935	-	-	4,863,935
Office equipment	2,014,515	128,951	-	2,143,466
Vehicles	7,428,000	1,888,000	(1,938,000)	7,378,000
Total cost	<u>14,306,450</u>	<u>2,016,951</u>	<u>(1,938,000)</u>	<u>14,385,401</u>
Accumulated depreciation				
Building improvement	(3,589,077)	(479,301)	-	(4,068,378)
Office equipment	(1,764,035)	(65,897)	-	(1,829,932)
Vehicles	(1,478,430)	(734,962)	937,674	(1,275,718)
Total accumulated depreciation	<u>(6,831,542)</u>	<u>(1,280,160)</u>	<u>937,674</u>	<u>(7,174,028)</u>
Total building improvements and equipment	<u>7,474,908</u>			<u>7,211,373</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2017 Baht	Increase Baht	Decrease Baht	Balance as at June 30, 2017 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>
Depreciation for the six-month periods ended June 30,				
2018				<u>1,280,160</u>
2017				<u>1,223,476</u>

As at June 30, 2018 and December 31, 2017, 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 13.2 million and Baht 11.6 million, respectively.

For the separate financial statements as at June 30, 2018 and December 31, 2017, 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 1.7 million and Baht 1.6 million, respectively.

12. INTANGIBLE ASSETS

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2018 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2018 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	104,231	-	(24,340)	-	79,891
Total		<u>4,792,724</u>	<u>-</u>	<u>(24,340)</u>	<u>-</u>	<u>4,768,384</u>

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>

Amortization for the six-month periods ended June 30,

2018	<u>24,340</u>
2017	<u>23,344</u>

SEPARATE FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2018 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2018 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, 2017 Baht
		Balance as at January 1, 2017 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>3,320,549</u>

Amortization for the six-month periods ended June 30,

2018	<u>-</u>
2017	<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, 2018 and December 31, 2017, 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, 2018 and December 31, 2017, 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.

13. DEFERRED INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2018 Baht	As at December 31, 2017 Baht	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Deferred tax assets				
Allowance for doubtful accounts	204,629	205,960	204,629	205,960
Allowance for impairment of investments	45,267,995	56,328,606	45,267,995	56,328,606
Unrealized loss on re-measuring trading investments	21,274,004	6,304,700	21,274,004	6,304,700
Other assets	10,357	10,357	10,357	10,357
Unrealized gain on transfer of business to an associated company	<u>22,727,579</u>	<u>22,733,222</u>	<u>-</u>	<u>-</u>
	<u>89,484,564</u>	<u>85,582,845</u>	<u>66,756,985</u>	<u>62,849,623</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	35,814,603	36,474,937	35,814,603	36,474,937
Unrealized gain on re-measuring available-for-sale Investments	1,121,218	885,049	1,121,218	885,049
Amortization of license fees	<u>664,110</u>	<u>664,110</u>	<u>664,110</u>	<u>664,110</u>
	<u>37,599,931</u>	<u>38,024,096</u>	<u>37,599,931</u>	<u>38,024,096</u>
Deferred tax assets	<u>51,884,633</u>	<u>47,558,749</u>	<u>29,157,054</u>	<u>24,825,527</u>

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

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at June 30, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	205,960	(1,331)	-	204,629
Allowance for impairment of investments	56,328,606	(11,060,611)	-	45,267,995
Unrealized loss on re-measuring trading investments	6,304,700	14,969,304	-	21,274,004
Other assets	10,357	-	-	10,357
Unrealized gain on transfer of business to an associated company	22,733,222	(5,643)	-	22,727,579
	<u>85,582,845</u>	<u>3,901,719</u>	<u>-</u>	<u>89,484,564</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	36,474,937	(660,334)	-	35,814,603
Unrealized gain on re-measuring Available-for-sale investments	885,049	-	236,169	1,121,218
Amortization of derivative license	664,110	-	-	664,110
	<u>38,024,096</u>	<u>(660,334)</u>	<u>236,169</u>	<u>37,599,931</u>
Deferred tax assets	<u>47,558,749</u>	<u>4,562,053</u>	<u>(236,169)</u>	<u>51,884,633</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at 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
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	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>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at June 30, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	205,960	(1,331)	-	204,629
Allowance for impairment of investments	56,328,606	(11,060,611)	-	45,267,995
Unrealized loss on re-measuring trading investments	6,304,700	14,969,304	-	21,274,004
Other assets	10,357	-	-	10,357
	<u>62,849,623</u>	<u>3,907,362</u>	<u>-</u>	<u>66,756,985</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	36,474,937	(660,334)	-	35,814,603
Unrealized gain on re-measuring available-for-sale investments	885,049	-	236,169	1,121,218
Amortization of derivative license	664,110	-	-	664,110
	<u>38,024,096</u>	<u>(660,334)</u>	<u>236,169</u>	<u>37,599,931</u>
Deferred tax assets	<u>24,825,527</u>	<u>4,567,696</u>	<u>(236,169)</u>	<u>29,157,054</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at 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>

As at June 30, 2018 and December 31, 2017, the Company has unused tax losses carry forward of Baht 155.74 million and Baht 82.76 million, respectively, which will be expired within 5 years.

As at June 30, 2018 and December 31, 2017, the subsidiary has unused tax loss carry forward of Baht 48.01 million and Baht 58.11 million, respectively, which will be expired within 5 years.

14. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
	Baht	Baht	Baht	Baht
Accrued interest income	2,673,543	154,009	2,672,643	152,103
Accrued dividend income	12,375	-	12,375	-
Prepaid insurance	657,041	127,418	319,791	127,418
Prepaid repair and maintenance	688,360	87,111	-	-
Prepaid SET fee	151,659	109,389	151,659	109,389
Prepaid other	356,106	319,167	123,118	94,546
Other deposits	936,001	936,001	589,251	589,251
Corporate income tax claim receivable	12,011,237	11,743,758	2,567,748	2,479,054
Advance payment for investment in Myanmar	49,509,750	48,771,900	49,509,750	48,771,900
Advance payment for legal fee of funds managed by subsidiary	14,219,275	13,440,792	-	-
Others	436,507	455,085	317,092	324,014
Total	<u>81,651,854</u>	<u>76,144,630</u>	<u>56,263,427</u>	<u>52,647,675</u>

15. OTHER BORROWINGS

As at June 30, 2018 and December 31, 2017, the Company has other borrowings, as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at June 30, 2018				
	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	3.90 - 4.00	<u>838,608,090</u>	<u>-</u>	<u>-</u>	<u>838,608,090</u>
Total other borrowings		<u>838,608,090</u>	<u>-</u>	<u>-</u>	<u>838,608,090</u>

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2017				
	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	3.90 - 4.00	<u>675,908,797</u>	<u>-</u>	<u>-</u>	<u>675,908,797</u>
Total other borrowings		<u>675,908,797</u>	<u>-</u>	<u>-</u>	<u>675,908,797</u>

Movements in other borrowings during the six-month periods ended June 30, 2018 and 2017 are summarized below:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2018 Baht	As at June 30, 2017 Baht
Beginning balance	675,908,797	467,778,822
Financing cash flow		
Cash received from other borrowing	937,539,134	1,109,688,444
Cash paid from other borrowing	(790,000,000)	(810,000,000)
Non - cash item changes		
Finance cost	15,160,159	13,900,876
Ending balance of the period	<u>838,608,090</u>	<u>781,368,142</u>

16. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2018 Baht	As at December 31, 2017 Baht	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Post-employment benefits obligation	9,269,666	10,544,435	8,974,973	8,193,231
Unused paid vacation leave	920,596	1,022,857	703,691	487,824
	<u>10,190,262</u>	<u>11,567,292</u>	<u>9,678,664</u>	<u>8,681,055</u>

Post-employment benefits obligation

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service cost	2,418,199	380,897	347,020	249,244
Interest cost	54,913	44,394	43,853	35,213
	<u>2,473,112</u>	<u>425,291</u>	<u>390,873</u>	<u>284,457</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Current service cost	774,750	765,174	694,036	498,486
Interest cost	90,464	89,552	87,706	70,426
	<u>865,214</u>	<u>854,726</u>	<u>781,742</u>	<u>568,912</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	10,544,435	6,896,312	8,193,231	5,480,726
Current service cost	774,750	765,174	694,036	498,486
Interest cost	90,464	89,552	87,706	70,426
Improve employee benefits from termination	3,232,892	-	-	-
Actuarial (gain) loss in statement of comprehensive income				
- from experience adjustment	(673,985)	-	-	-
- from changes in demographic assumption	-	-	-	-
- from changes in financial assumption	(11,490)	-	-	-
Employee benefit paid during the year	<u>(4,687,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance of post-employment benefits obligation	<u>9,269,666</u>	<u>7,751,038</u>	<u>8,974,973</u>	<u>6,049,638</u>

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at June 30, 2018 and December 31, 2017 are as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% per annum)	
	June 30, 2018	December 31, 2017
Financial assumptions		
Discount rate	1.91 - 2.61	1.91 - 2.20
Employee turnover rate	6.0 - 29.0	6.0 - 29.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	6.0	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, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Salary incremental rates - 1% increase	624,752	657,584	595,246	459,048
Salary incremental rates - 1% decrease	(577,178)	(607,882)	(551,282)	(426,907)
Life expectancy rate - 1% increase	41,098	42,581	39,759	34,353
Life expectancy rate - 1% decrease	(40,903)	(42,384)	(39,569)	(34,189)
Turnover rate - 1% increase	(556,705)	(635,324)	(525,251)	(443,708)
Turnover rate - 1% decrease	219,419	372,071	182,535	159,281
Discount rate - 1% increase	(514,848)	(584,735)	(487,331)	(409,890)
Discount rate - 1% decrease	567,807	644,915	535,670	449,401

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

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

17. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at June 30, 2018 Baht	As at December 31, 2017 Baht	As at June 30, 2018 Baht	As at December 31, 2017 Baht
Withholding tax payable	427,954	416,943	359,879	265,140
Value-added-tax payable	206,828	238,814	206,828	207,260
Others payable	8,226,707	6,432,466	6,169,211	6,159,501
Accrued expenses	3,061,013	5,607,701	2,487,643	4,975,182
Amounts of capital reduction and dividend not redeemed by shareholders	5,784,706	5,586,454	5,784,706	5,586,454
Others	2,310,493	1,124,222	1,752,467	1,018,623
Total	<u>20,017,701</u>	<u>19,406,600</u>	<u>16,760,734</u>	<u>18,212,160</u>

18. SHARE CAPITAL

As at June 30, 2018 and December 31, 2017, the Company has issued and paid-up share capital of Baht 653,868,463.

Net asset value

As at June 30, 2018 and December 31, 2017, 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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Net asset value (per share)	1.68	1.80	1.70	1.82

19. DIVIDEND

On April 27, 2018, the ordinary shareholders' meeting of the year 2018 has passed the resolution to approve the dividend payment for the operation for the year ended December 31, 2017 to the shareholders at the rate of Baht 0.05 per share equalling to Baht 65.37 million. The dividend was paid on May 15, 2018.

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.

20. CAPITAL MANAGEMENT

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

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

However, since May 2, 2013, the Company was approved to reactivate its investment advisory service, the Company is required to maintain its net liquid capital according to the Notification of the Securities and Exchange Commission No. Kor Thor. 4/2561 regarding "Ongoing capital adequacy of some specific intermediaries".

As at June 30, 2018 and December 31, 2017, the Company is able to maintain its net liquid capital more than the required condition.

21. PREMIUM ON SHARE CAPITAL

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

22. STATUTORY RESERVE

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

As at June 30, 2018 and December 31, 2017, the Company has statutory reserve at the rate of 11.51 percent of authorized share capital.

23. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	475,823	2,548,634	-	-
Other	222,222	-	222,222	-
Total	698,045	2,548,634	222,222	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	2,913,731	21,354,573	-	-
Other	222,222	-	222,222	-
Total	3,135,953	21,354,573	222,222	-

24. GAIN (LOSS) 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,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Loss on investment	(96,085,045)	(1,247,521)	(96,144,951)	(2,884,131)
Interest and dividend income	3,884,022	3,078,183	3,804,054	2,820,669
Total	<u>(92,201,023)</u>	<u>1,830,662</u>	<u>(92,340,897)</u>	<u>(63,462)</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Gain (loss) on investment	(124,712,830)	212,327,268	(123,421,291)	209,895,616
Interest and dividend income	11,552,221	12,473,798	11,373,738	12,019,367
Total	<u>(113,160,609)</u>	<u>224,801,066</u>	<u>(122,047,553)</u>	<u>221,914,983</u>

25. 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 2018 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 27, 2018 and April 17, 2018, respectively. Directors' remuneration for the year 2017 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on April 27, 2017 and April 17, 2017, respectively.

26. FEE AND SERVICE EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Fees for private fund, mutual fund and derivative licenses	14,216	335,764	-	-
Referral expense	14,082	117,963	-	-
Others	177,043	465,151	89,445	80,670
Total	<u>205,341</u>	<u>918,878</u>	<u>89,445</u>	<u>80,670</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Fees for private fund, mutual fund and derivative licenses	28,275	667,792	-	-
Referral expense	33,256	303,741	-	-
Others	263,679	3,045,800	89,445	161,007
Total	<u>325,210</u>	<u>4,017,333</u>	<u>89,445</u>	<u>161,007</u>

27. 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,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Impairment loss from equity securities (reversal)	(72,473,939)	5,996,671	(72,473,939)	5,996,671
Reversal impairment loss from debt securities	-	-	(34,359,774)	-
Impairment loss on investment in subsidiary	-	-	40,553,651	10,775,034
Total	<u>(72,473,939)</u>	<u>5,996,671</u>	<u>(66,280,062)</u>	<u>16,771,705</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Impairment loss from equity securities (reversal)	(70,224,291)	14,966,496	(70,224,291)	14,966,496
Reversal impairment loss from debt securities	-	-	(25,632,496)	-
Impairment loss on investment in subsidiary	-	-	40,553,651	4,930,963
Total	<u>(70,224,291)</u>	<u>14,966,496</u>	<u>(55,303,136)</u>	<u>19,897,459</u>

28. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Premises and equipment expenses	2,462,736	2,851,038	1,429,790	1,618,594
Consulting fee	1,488,358	2,569,660	1,244,313	1,575,187
Communication and information expenses	585,517	909,614	293,728	306,772
Entertainment expenses	25,270	91,271	24,750	2,130
Publication and marketing expenses	158,150	245,757	26,750	90,950
Traveling expenses	468,180	188,140	444,752	126,489
SET fee	1,444,818	1,092,520	1,444,818	1,092,520
Stationery and office supply	471,873	535,856	437,571	440,055
Taxation	44,695	160,720	44,395	158,092
Loss on exchange rate	(2,313,458)	1,748,789	(2,313,458)	1,748,789
Meeting and conference	300,887	459,619	295,653	454,129
Professional fee	1,049,549	664,762	835,706	318,964
Others	2,678,414	821,232	677,853	576,655
Total	<u>8,864,989</u>	<u>12,338,978</u>	<u>4,886,621</u>	<u>8,509,326</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Premises and equipment expenses	4,971,681	5,634,892	2,858,185	3,153,330
Consulting fee	3,105,342	7,319,522	2,486,495	5,790,491
Communication and information expenses	1,180,298	1,672,206	580,367	601,578
Entertainment expenses	54,626	202,868	53,482	15,779
Publication and marketing expenses	306,285	405,074	26,750	91,378
Traveling expenses	796,455	478,847	725,321	339,921
SET fee	2,397,721	1,722,624	2,397,721	1,722,624
Stationery and office supply	499,770	701,065	452,003	447,341
Taxation	49,739	167,514	48,539	163,836
Loss on exchange rate	-	6,571,945	-	6,571,945
Meeting and conference	314,338	484,603	303,980	469,262
Professional fee	1,504,350	1,222,812	1,069,050	453,964
Others	2,792,888	1,417,446	739,832	810,018
Total	<u>17,973,493</u>	<u>28,001,418</u>	<u>11,741,725</u>	<u>20,631,467</u>

29. 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, 2018 and 2017, the Company has contributed Baht 0.25 million and Baht 0.23 million, respectively, to the fund and the subsidiary has contributed Baht 0.06 million and Baht 0.22 million, respectively, to the fund.

For the six-month periods ended June 30, 2018 and 2017, the Company has contributed Baht 0.50 million and Baht 0.46 million, respectively, to the fund and the subsidiary has contributed Baht 0.30 million and Baht 0.43 million, respectively, to the fund.

30. CORPORATE INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Income tax – income (expenses)	(5,124,459)	1,962,941	(5,121,622)	6,218,380
Total	<u>(5,124,459)</u>	<u>1,962,941</u>	<u>(5,121,622)</u>	<u>6,218,380</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Income tax – income (expenses) (see Note 13)	4,562,053	(35,902,797)	4,567,696	(30,248,748)
Total	<u>4,562,053</u>	<u>(35,902,797)</u>	<u>4,567,696</u>	<u>(30,248,748)</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Loss before tax	(40,500,319)	(90,355,659)	(43,000,462)	(34,285,944)
Tax rate	20%	20%	20%	20%
The result of the account profit (loss) multiplied by the income tax rate – income	8,100,064	18,071,132	8,600,093	6,857,189
Tax effect of the non-deductible income and expense	1,759,172	(9,969,084)	(122,601)	(67,942)
Effect of the temporary difference not recognized as deferred tax assets	(101,626)	(25,651)	(101,626)	(25,651)
Effect of tax loss carried forward not recognized as deferred tax assets	(13,497,488)	(545,216)	(13,497,488)	(545,216)
Deferred tax relating to the deductible of temporary difference	-	(4,252,602)	-	-
Use of tax loss carry forward (unused tax)	(1,384,581)	(1,315,638)	-	-
Income tax – income (expenses)	<u>(5,124,459)</u>	<u>1,962,941</u>	<u>(5,121,622)</u>	<u>6,218,380</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Profit (loss) before tax	(92,127,125)	108,906,359	(92,381,758)	152,698,651
Tax rate	20%	20%	20%	20%
The result of the account profit (loss) multiplied by the income tax rate – income (expenses)	18,425,425	(21,781,272)	18,476,352	(30,539,730)
Tax effect of the non-deductible income and expense	4,117,218	(7,835,440)	887,853	1,008,827
Effect of the temporary difference not recognized as deferred tax assets	(200,804)	(82,535)	(200,804)	(82,535)
Effect of tax loss carried forward not recognized as deferred tax assets	(14,595,705)	(635,310)	(14,595,705)	(635,310)
Deferred tax relating to the deductible of temporary difference	-	(5,648,406)	-	-
Use of tax loss carry forward (unused tax)	(3,184,081)	80,166	-	-
Income tax – income (expenses)	<u>4,562,053</u>	<u>(35,902,797)</u>	<u>4,567,696</u>	<u>(30,248,748)</u>

31. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries 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, 2018 and December 31, 2017 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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Subsidiaries				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	42,246,348	-
Investment in debt securities - Bill of exchange	-	-	-	54,367,504
Short - term loans	-	-	2,000,000	-
Accrued interest	-	-	3,288	-
Lumpini Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	25,000,000	25,000,000
Associates				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,366,636,372	1,355,344,483	1,244,095,520	1,244,095,520
Investment in private fund managed by associate	51,777,952	-	51,777,952	-
Cash balance for securities trading	4,643,715	3,194,347	4,643,715	3,194,347
Accrued private fund management fee expenses	47,247	-	47,247	-
Other payables	322,367	351,834	322,367	351,834
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 10)	11,832,806	14,160,569	13,800,000	13,800,000
Investment in debt securities - Bill of Exchange	66,853,223	52,264,684	66,853,223	52,264,684
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 10)	196,858,663	210,839,172	217,800,000	217,800,000
Related companies				
Under common directors				
Thanh Cong Securities Joint Stock Company				
Investment in ordinary shares	-	85,317,444	-	85,317,444
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	49,509,750	48,771,900	49,509,750	48,771,900
Thai Foods Group Plc.				
Investment in ordinary shares	140,780,860	214,633,980	140,780,860	214,633,980

Significant transactions with related parties for the three-month periods ended June 30, 2018 and 2017 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the three-month periods ended		For the three-month periods ended		
	June 30,		June 30,		
	2018	2017	2018	2017	
	Baht	Baht	Baht	Baht	
Subsidiaries					
Solaris Asset Management Co., Ltd.					
Management fee of private fund	-	-	-	76,390	At the rate determined under the contract 0.2% of net asset value per year
Interest income from Bill of exchange	-	-	2,235,616	719,278	At the rate determined under the contract
Investment in Bill of exchange	-	-	80,000,000	100,000,000	Investment value
Withdrawal from Bill of exchange	-	-	160,000,000	125,000,000	Investment value
Interest income from short-term loans	-	-	3,288	-	At the rate determined under the contract 5% per year
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	66,150	66,150	At the rate determined under the contract of Baht 22,050 per month
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 32.3)
Service expenses	930,900	1,308,075	930,900	1,308,075	At the rate determined under the contract (see Note 32.1)
Other fee expenses	702,682	258,266	702,682	258,266	At the rate determined under the contract
Management fee of private fund	82,041	-	82,041	-	At the rate determined under the contract 1.00% - 1.25% of net asset value per year
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	622,374	704,961	622,374	704,961	At the rate determined under the contract
Investment in Bill of exchange	28,954,976	14,298,773	28,954,976	14,298,773	Investment value
Withdrawal from Bill of exchange	14,377,626	14,295,039	14,377,626	14,295,039	Investment value
Related with subsidiary and associate					
Selling agent fee expense	96	249	96	249	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	-	105	At the rate determined under the contract

Significant transactions with related parties for the six-month periods ended June 30, 2018 and 2017 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the six-month periods ended		For the six-month periods ended		
	June 30,		June 30,		
	2018 Baht	2017 Baht	2018 Baht	2017 Baht	
Subsidiaries					
Solaris Asset Management Co., Ltd.					
Management fee of private fund	-	-	-	153,517	At the rate determined under the contract 0.2% of net asset value per year
Interest income from Bill of exchange	-	-	4,230,137	1,198,730	At the rate determined under the contract
Investment in Bill of exchange	-	-	160,000,000	350,000,000	Investment value
Withdrawal from Bill of exchange	-	-	240,000,000	250,000,000	Investment value
Interest income from short-term loans	-	-	3,288	-	At the rate determined under the contract 5% per year
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	132,300	132,300	At the rate determined under the contract of Baht 22,050 per month
Associates					
KT ZMICO Securities Co., Ltd.					
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 32.3)
Service expenses	1,861,800	2,616,150	1,861,800	2,616,150	At the rate determined under the contract (see Note 32.1)
Other fee expenses	1,047,977	912,945	1,047,977	912,945	At the rate determined under the contract
Management fee of private fund	82,041	-	82,041	-	At the rate determined under the contract 1.00% – 1.25% of net asset value per year
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	2,735,316	1,424,836	2,735,316	1,424,836	At the rate determined under the contract
Investment in Bill of exchange	66,853,223	28,578,899	66,853,223	28,578,899	Investment value
Withdrawal from Bill of exchange	52,264,684	28,575,164	52,264,684	28,575,164	Investment value
Related with subsidiary and associate					
Selling agent fee expense	192	549	192	549	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	-	8,312	At the rate determined under the contract

For the three-month and six-month periods ended June 30, 2018 and 2017, compensations paid to key management personnel under TAS 24 (Revised 2017) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Short-term employee benefits	1,596,439	1,848,759	1,272,566	976,211
Post-employment benefits	177,521	208,825	177,521	171,860
Total	<u>1,773,960</u>	<u>2,057,584</u>	<u>1,450,087</u>	<u>1,148,071</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Short-term employee benefits	3,480,997	3,697,518	2,268,631	1,952,421
Post-employment benefits	410,906	417,648	355,040	343,718
Total	<u>3,891,903</u>	<u>4,115,166</u>	<u>2,623,671</u>	<u>2,296,139</u>

32. COMMITMENTS

Transactions with related parties

32.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of 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. The Company already cancelled the agreement. Subsequently, on June 1, 2018, the Company made the agreement to change the fee to Baht 48,000 per month from July 2, 2018 to June 30, 2019. The agreement is automatically extended on an annual basis 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.

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. Subsequently, on September 29, 2017, the Company made the agreement to change the fee to be Baht 230,000 per month from October 1, 2017 to September 30, 2018. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 7 days before the expiry date of the agreement in each time. However, on July 1, 2018, the Company cancelled the agreement.

- 32.2 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. However, on November 29, 2017, the Company cancelled the agreement.
- 32.3 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 32.4 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.
- 32.5 On March 21, 2018, the Company entered into an agreement with KT ZMICO Securities Co., Ltd. which is associate company. The associate will manage the Company's fund for two years. Contract, which will be renew for one year each unless either the Company notifies for the cancellation in written. Under the agreement, the Company agreed to pay a management fee at rated of 1.00 – 1.25 percent per annum of the net asset value of the fund.

Transactions with other business parties

32.6 As at June 30, 2018 and December 31, 2017, 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, 2018	As at December 31, 2017	As at June 30, 2018	As at December 31, 2017
Within 1 year	2.0	3.4	1.4	2.3
Over 1 year to 5 years	-	0.3	-	0.2
Total	<u>2.0</u>	<u>3.7</u>	<u>1.4</u>	<u>2.5</u>

33. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the three-month and six-month periods ended June 30, 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended June 30, 2018			
	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	10,011	476	(26,321)	(15,834)
Total revenues	<u>10,011</u>	<u>476</u>	<u>(26,321)</u>	<u>(15,834)</u>
Segment income (loss)	10,011	(7,508)	(26,321)	(23,813)
Unallocated income and expenses :				
Gain on transfer of business to the associated company				14
Other income				3,233
Servicing and administrative expenses				(19,930)
Income tax - expenses				<u>(5,124)</u>
Net loss				<u>(45,625)</u>

	(Unit: Thousand Baht)			
	For the three-month period ended June 30, 2017			
	Securities segment	Asset Management segment	Investment And others segment	Consolidated Financial statement
Revenue from external customers	(53,643)	2,549	(10,833)	(61,927)
Total revenues	<u>(53,643)</u>	<u>2,549</u>	<u>(10,833)</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 loss				<u>(88,393)</u>

(Unit: Thousand Baht)

For the six-month period ended June 30, 2018

	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	17,268	2,914	(59,022)	(38,840)
Total revenues	<u>17,268</u>	<u>2,914</u>	<u>(59,022)</u>	<u>(38,840)</u>
Segment income (loss)	17,268	(16,950)	(59,022)	(58,704)
Unallocated income and expenses :				
Gain on transfer of business to the associated company				28
Other income				4,750
Servicing and administrative expenses				(38,201)
Income tax – income				<u>4,562</u>
Net loss				<u>(87,565)</u>

(Unit: Thousand Baht)

For the six-month period ended June 30, 2017

	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	(42,658)	21,355	203,036	181,733
Total revenues	<u>(42,658)</u>	<u>21,355</u>	<u>203,036</u>	<u>181,733</u>
Segment income (loss)	(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 profit				<u>73,004</u>

Assets classified by segment of the Company as at June 30, 2018 and December 31, 2017 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, 2018	<u>1,366,636</u>	<u>42,246</u>	<u>1,330,212</u>	<u>24,413</u>	<u>461,581</u>	<u>3,225,088</u>
As at December 31, 2017	<u>1,355,344</u>	<u>60,067</u>	<u>1,390,129</u>	<u>24,537</u>	<u>382,039</u>	<u>3,212,116</u>

34. RISK MANAGEMENT

34.1 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 Ordinary Membership”, the Ordinary Membership is required to have owners’ equity at least Baht 500 million for membership operating especially in derivatives business.

However, as at June 30, 2018 and December 31, 2017, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note 1).

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. 4/2561 regarding “Ongoing capital adequacy of some specific intermediaries”.

However, as at June 30, 2018, the Company is able to maintain its net liquid capital more than the condition.

Subsidiaries

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.

On January 17, 2018, the Securities and Exchange Commission issued the Notification of the Office of the Securities and Exchange Commission No. KorThor. 3/2561, regarding “The Capital Adequacy of mutual fund management, private fund management, securities brokerage and securities trading, securities underwriting and derivatives fund management” which effective on April 1, 2018. The subsidiary has to maintain the 3 parts of its capital in order to comply with this notification.

1. Owner’s equity: The Company has to maintain its equity at least Baht 20 million.
2. Liquid capital: The Company has to maintain its liquid capital at least the average 3 months per year of business operation expenses.
3. Professional Indemnity Insurance: At least either 0.01 percent of net asset value or the amount of an insurance coverage is required

As at June 30, 2018, the subsidiary has owner’s equity is Baht 42.25 million and has an insurance coverage amounting of Baht 100 million which are complied with the requirements on no.1 (owner’s equity) and no.3 (Professional Indemnity Insurance) of the notification. However, the subsidiary could not meet no.2 (liquid capital) requirement. As at June 30, 2018, the subsidiary’s liquid capital was Baht (0.65) million which is below the requirement.

However, the regulation relating to a liquid capital requirement has been relaxed specifically for asset management companies which operating more than 1 year and are necessary and reasonable to use forecasted expenses instead of past actual expenses, due to their significant business downsizing or changes in their organization structures, which has a significant effect on the expenses to be used in calculating a liquid capital, effective on July 9, 2018. On July 16, 2018, the Company provided a financial support to the subsidiary in the form of a loan agreement amounting of Baht 9 million for 1 year, so the subsidiary could continue its fund management business activities. Therefore, as of July 31, 2018, the subsidiary’s liquid capital has been in accordance with the requirements on no.2 (liquid capital) (see Note no. 1).

The periods of time from the end of reporting period to the maturity dates of financial instruments as of June 30, 2018 and December 31, 2017 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2018

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	375	-	-	-	-	-	375
Securities business receivables	-	6	-	-	-	63	69
Investments	-	473	181	11	457	-	1,122
Total	375	479	181	11	457	63	1,566
Financial liabilities							
Other borrowing	-	839	-	-	-	-	839
Total	-	839	-	-	-	-	839

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 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	330	-	-	-	-	-	330
Securities business receivables	-	-	-	-	-	63	63
Investments	-	623	16	11	513	-	1,163
Total	330	623	16	11	513	63	1,556
Financial liabilities							
Other borrowing	-	676	-	-	-	-	676
Total	-	676	-	-	-	-	676

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2018

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	371	-	-	-	-	-	371
Securities business receivables	-	6	-	-	-	63	69
Investments	-	432	181	11	457	-	1,081
Total	371	438	181	11	457	63	1,521
Financial liabilities							
Other borrowing	-	839	-	-	-	-	839
Total	-	839	-	-	-	-	839

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 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	313	-	-	-	-	-	313
Securities business receivables	-	-	-	-	-	63	63
Investments	-	639	16	11	513	-	1,179
Total	313	639	16	11	513	63	1,555
Financial liabilities							
Other borrowing	-	676	-	-	-	-	676
Total	-	676	-	-	-	-	676

34.2 Significant financial instruments risk

As at June 30, 2018 and December 31, 2017, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

34.2.1 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, 2018

Outstanding balances of net financial instruments

reprising or maturity dates

	Floating interest rate	At call	reprising or maturity dates				Non- performing receivables	No interest	Total	Interest rate (Percent)	
			Within 1 year	1-5 years	Over 5 years					Floating rate	Fixed rate
Financial assets											
Cash and cash equivalents	255	-	-	-	-	-	120	375	0.375 - 1.20	-	
Securities business receivables	-	-	6	-	-	63	-	69	-	-	
Investments	-	-	473	181	11	-	457	1,122	-	1.25 - 1.50	
Total	255	-	479	181	11	63	577	1,566			
Financial liabilities											
Other borrowing	-	-	839	-	-	-	-	839	-	3.90 - 4.00	
Total	-	-	839	-	-	-	-	839			

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 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	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	312	-	-	-	-	-	18	330	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	623	16	11	-	513	1,163	-	1.50
Total	312	-	623	16	11	63	531	1,556		
Financial liabilities										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
Total	-	-	676	-	-	-	-	676		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2018

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	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	252	-	-	-	-	-	119	371	0.375 - 1.20	-
Securities business receivables	-	-	6	-	-	63	-	69	-	-
Investments	-	-	432	181	11	-	457	1,081	-	-
Total	252	-	438	181	11	63	576	1,521		
Financial liabilities										
Other borrowing	-	-	839	-	-	-	-	839	-	3.90 - 4.00
Total	-	-	839	-	-	-	-	839		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 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	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	296	-	-	-	-	-	17	313	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	639	16	11	-	513	1,179	-	-
Total	296	-	639	16	11	63	530	1,555		
Financial liabilities										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
Total	-	-	676	-	-	-	-	676		

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, 2018			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	284,402,091	1,227,061	0.86
Investment in debt securities	653,754,074	33,878,265	10.36
Held-to-maturity investment	23,241,607	166,940	1.44
Financial liabilities			
Other borrowing	740,000,000	14,112,182	3.81
(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	375,508,879	3,432,646	0.91
Investment in debt securities	802,300,389	64,151,760	8.00
Held-to-maturity investment	43,738,769	3,056,685	6.99
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at June 30, 2018			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	277,936,987	1,212,230	0.87
Investment in debt securities	677,164,811	35,169,804	10.39
Financial liabilities			
Other borrowing	740,000,000	14,112,182	3.81
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	347,996,312	3,346,951	0.96
Investment in debt securities	762,766,204	63,911,838	8.38
Held-to-maturity investment	20,622,162	2,645,644	12.83
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65

34.2.2 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.

34.2.3 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, 2018, 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, 2018
Ordinary shares			
EDL-GEN	Lao People's Democratic Republic LAK	8,325,774	0.003917
AMC III	United States USD	550	32.9244
YEG	Vietnamese VND	34,414,335	0.001439

34.2.4 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.

34.2.5 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.

34.2.5.1 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, 2018	December 31, 2017		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	182,117,866	245,972,314	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
Trading securities				
Unit trust	17,526,977	-	2	Net asset value of the last working day of the reporting period
Debt securities -				
Corporate bond	191,842,779	27,024,289	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	449,892,179	599,810,912	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	54,887,420	4,425,246	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)

SEPARATE FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	June 30, 2018	December 31, 2017		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	182,117,866	245,972,314	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
Trading securities				
Unit trust	17,526,977	-	2	Net asset value of the last working day of the reporting period
Debt securities -				
Corporate bond	191,842,780	27,024,289	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	432,331,947	638,866,087	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	54,887,420	4,425,246	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

34.2.5.2 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			
	As at June 30, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	375,496,584	375,496,584	3	Net present value of expected cash inflow
Held to-maturity investments	23,266,454	23,266,454	3	Net present value of expected cash inflow
General Investment Equity securities	201,986,649	201,986,649	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of Exchange	838,608,090	838,608,090	3	Net present value of expected cash outflow

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2017		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	330,321,430	330,321,430	3	Net present value of expected cash inflow
Held to-maturity investments	23,191,912	23,191,912	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of Exchange	675,908,797	675,908,797	3	Net present value of expected cash outflow

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS			
	As at June 30, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	371,340,354	371,340,354	3	Net present value of expected cash inflow
General Investment Equity securities	201,986,649	201,986,649	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of exchange	838,608,090	838,608,090	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, 2017			
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	312,718,240	312,718,240	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing	675,908,797	675,908,797	3	Net present value of expected cash outflow
Bill of exchange				

35. 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, 2018 and 2017, 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, 2018 and 2017, the Company recognized additional gain on transfer of business to the associated company of Baht 0.03 million.

As at June 30, 2018 and December 31, 2017, the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.25 million and Baht 148.28 million, respectively.

36. EVENT AFTER THE REPORTING PERIOD

On August 24, 2018, the Board of Directors' meeting has passed a resolution to propose to the Extraordinary General Meeting of shareholders are as follow:-

- 1) To consider approving the Company's registered capital decrease from the current registered capital of Baht 941,964,586 to be Baht 653,868,463 by cancelling 576,192,246 authorized but unissued ordinary shares at the par value of Baht 0.50 per share.
- 2) To consider approving the issuance and allocation of not exceeding 630,000,000 newly issued ordinary shares of the Company at the par value of Baht 0.50 per share, at the offering price of Baht 1.35 per share, totaling Baht 850,500,000 to be offered for sale to a specific investor on the private placement basis and to consider approving the issuance and allocation of the warrants to purchase the Company's newly issue ordinary shares No. 4 (ZMICO-W4) to the Company's existing shareholders in proportion to their existing shareholdings by way of right offering (the "Warrants") in the amount of not exceeding 484,434,000 units free of charge.

37. 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, 2018.