

**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, 2020**

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 located at 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 Krungthai 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.

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.

The Company has sold the rights of membership in the Stock Exchange of Thailand to another securities company which will be effective from December 2, 2019 onwards.

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

The Company has subsidiaries as follows:

1. Innotech Asset Management Co., Ltd. operates its business in Thailand and has been granted permission to manage mutual fund, private fund, provident fund and REIT manager.
2. Lumpini Asset Management Co., Ltd. operates its business in Thailand. The main objective of the Company is to carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institution which is its commercial bank, business funding or credit foncier license to revoke include related collateral for the purpose of asset management, development and disposals.
3. SE Digital Co., Ltd. operates its business in Thailand. The main objective of the Company is to conduct digital asset business and on October 7, 2019, SE Digital Co., Ltd. has obtained an approval to operate as an ICO portal by the Office of the Securities and Exchange Commission.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION 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’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 “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. 6/2562, dated January 8, 2019, regarding “The Form of Financial Statements for Securities Companies (No.3)”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2020 onwards. The consolidated and separate statements of financial position as at December 31, 2019 and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended June 30, 2019 have been reclassified accordingly.

The consolidated and separate statements of financial position as at December 31, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of financial position as at June 30, 2020 as follows.

Unit: Baht

	As at December 31, 2019			
	CONSOLIDATED	SEPARATE		
	FINANCIAL	FINANCIAL	Previous	New
	STATEMENTS	STATEMENTS	Classification	Classification
Non - collateralized investments	799,555,184	777,359,634	Investments	Non - collateralized investments

The consolidated and separate statements of comprehensive income for the three-month and the six-month period ended June 30, 2019 have been reclassified to conform to the classification used in the consolidated and separate statements of comprehensive income for the three-month and the six-month periods ended June 30, 2020 as follows:

Unit: Baht

	For the three-month ended			
	June 30, 2019			
	CONSOLIDATED	SEPARATE		
	FINANCIAL	FINANCIAL	Previous	New
	STATEMENTS	STATEMENTS	Classification	Classification
Interest incomes	705,755	339,190	Gain (loss) and return on financial instruments	Interest incomes
Gain (loss) and return on financial instruments	503,411	503,411	Impairment loss from Investment	Gain (loss) and return on financial instruments
Interest expenses	1,568,906	1,568,898	Finance costs	Interest expenses
Reversal expected credit loss	10,057,525	10,057,525	Reversal bed debt and doubtful accounts	Reversal expected credit loss

Unit: Baht

	For the six-month ended			
	June 30, 2019			
	CONSOLIDATED	SEPARATE		
	FINANCIAL	FINANCIAL	Previous	New
	STATEMENTS	STATEMENTS	Classification	Classification
Interest incomes	1,569,703	2,125,036	Gain (loss) and return on financial instruments	Interest incomes
Gain (loss) and return on financial instruments	642,818	642,818	Impairment loss from Investment	Gain (loss) and return on financial instruments
Interest expenses	7,260,956	7,260,948	Finance costs	Interest expenses
Reversal expected credit loss	10,057,525	10,057,525	Reversal bed debt and doubtful accounts	Reversal expected credit loss

2.3 Basis of consolidated financial statements

- (a) The consolidated financial statements include the financial statements of Seamico Securities Public Company Limited (the “Company”) and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated totals		Revenues as a percentage to the consolidated totals	
			June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	For the six-month period ended June 30,	
			Percent	Percent	Percent	Percent	2020	2019
Innotech Asset Management Co., Ltd.	Asset Management	Thailand	100	100	3	3	-	2
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing assets of financial institution	Thailand	100	100	1	1	-	-
SE Digital Co., Ltd.	Digital asset	Thailand	100	100	15	15	29	1

- (b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (c) The financial statements of the subsidiaries are prepared using the same accounting periods and significant accounting policies as the Company.
- (d) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- (e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within owners' equity in the consolidated statement of financial position.

2.4 Separate financial statements

The separate financial statements, which present investments in subsidiaries under the cost method.

3. NEW THAI FINANCIAL REPORTING STANDARDS

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

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. 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 Group's financial statements, except the financial reporting standards:

3.1 Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities
- 2) Impairment of financial assets

The Company has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9

- 1) Classification and measurement of financial assets and liabilities

The date of initial application, the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of TFRS 9 is January 1, 2020. Accordingly, the Company has applied the requirements of TFRS 9 to instruments that continue to be recognized as at January 1, 2020 and has not applied the requirements to instruments that have already been derecognized as at January 1, 2020. Comparative amounts in relation to instruments that continue to be recognized as at January 1, 2020 have not been restated.

Classification and measurement of financial asset

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may take the following irrevocable election/designation at initial recognition of a financial asset;

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch,

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

When an equity investment designated as measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to retained earnings.

Debt instruments that are measured subsequently at amortized cost or at FVTOCI are subject to impairment.

The director of the Company reviewed and assessed the Company's existing financial assets as at January 1, 2020 based on the facts and circumstances that existed at that date and concluded that the initial application of TFRS 9 has had impact on the Company's financial assets as regards their classification and measurement as the followings:

- The Company's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under TAS 105 "Accounting for Investments in Debt and Equity Securities" have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve;
- There is no change in the measurement of the Company's investments in equity instruments that are held for trading; those instruments were and continue to be measured at FVTPL;
- Investments classified as held-to-maturity under TAS 105 "Accounting for Investments in Debt and Equity Securities" and loans and receivables as they are held within a business model to collect contractual cash flows and interest on the principal amount outstanding, are measured subsequently at amortizing cost.

Classification and measurement of financial liabilities

A significant change introduced by TFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, TFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized.

The application of TFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

2) Impairment of financial assets

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company and its subsidiaries to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, TFRS 9 requires the Company and its subsidiaries to recognize a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortized cost and
- (2) Securities business receivables.

In particular, TFRS 9 requires the Company and its subsidiaries to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company and its subsidiaries are required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for Securities business receivables in certain circumstances.

Disclosure in relation to the initial application of TFRS 9

The table below shows information relating to financial assets that have been reclassified as a result of transition to TFRS 9.

Unit : Baht			
	CONSOLIDATED FINANCIAL STATEMENT		
	Previous book value by TAS105 As at December 31, 2019	Change in book value Reclassification	New book value by TFRS 9 As at January 1, 2020
Financial assets			
Fair value through profit or loss			
Balance - Trading securities (by TAS 105)	601,146,665	-	601,146,665
Add General investment (by TAS 105)	-	46,007,412	46,007,412
Total fair value through profit or loss	601,146,665	46,007,412	647,154,077
Total financial assets	601,146,665	46,007,412	647,154,077

Unit : Baht			
	SEPARATE FINANCIAL STATEMENT		
	Previous book value by TAS105 As at December 31, 2019	Change in book value Reclassification	New book value by TFRS 9 As at January 1, 2020
Financial assets			
Fair value through profit or loss			
Balance - Trading securities (by TAS 105)	597,951,115	-	597,951,115
Add General investment (by TAS 105)	-	46,007,412	46,007,412
Total fair value through profit or loss	597,951,115	46,007,412	643,958,527
Total financial assets	597,951,115	46,007,412	643,958,527

3.2 Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

TFRS 16 supersedes Thai Accounting Standards No. 17 “Leases” together with related Interpretations. TFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Group has applied this financial reporting standards using the cumulative catch-up approach which does not restate the comparatives and recognized the cumulative effect of initially applying TFRS 16 at January 1, 2020.

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at its carrying amount as if TFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's Group's incremental borrowing rates. The weight average lessees incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on January 1, 2020 are 3% - 5 %.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact recognized as at January 1, 2020:

	CONSOLIDATED FINANCIAL STATEMENTS	Unit : Baht SEPARATE FINANCIAL STATEMENTS
Operating lease commitments disclosed as at December 31, 2019	17,961,699	9,258,831
<u>Less</u> Lease for which the underlying asset is of low value	(281,840)	(119,840)
<u>Less</u> Contracts reassessed as service agreements	<u>(9,988,762)</u>	<u>(5,630,741)</u>
	7,691,097	3,508,250
<u>Less</u> Deferred interest expenses	<u>(3,308,274)</u>	<u>(1,195,399)</u>
Additional lease liabilities from TFRS 16 adoption	4,382,823	2,312,851
Finance lease liabilities as at December 31, 2019	<u>9,438,200</u>	<u>5,290,317</u>
Lease liabilities recognized as at January 1, 2020	<u><u>13,821,023</u></u>	<u><u>7,603,168</u></u>

The recognized right-of-use assets relate to the following types of assets:

	CONSOLIDATED FINANCIAL STATEMENTS	Unit : Baht SEPARATE FINANCIAL STATEMENTS
As at January 1, 2020		
Building	12,292,497	6,018,384
Vehicles	<u>1,276,277</u>	<u>-</u>
Total right-of-use assets	<u><u>13,568,774</u></u>	<u><u>6,018,384</u></u>

As at June 30, 2020, the consolidated financial statement presented right-of-use assets included in building improvements and equipment items amounting to Baht 12.12 million and lease liabilities included in other liabilities amounting to Baht 12.41 million in the consolidated financial statements. (see Note 11)

As at June 30, 2020, the separated financial statement presented right-of-use assets included in building improvements and equipment items amounting to Baht 5.42 million and lease liabilities included in other liabilities amounting to Baht 6.87 million in the separate financial statements. (see Note 11)

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

The Group has not adopted such accounting treatment guidance.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures

- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue and expense recognition

4.1.1 Fees and services income

Fund management fee income

Management fee is recognized as a performance obligation satisfied over time which is charged at a percentage of the net asset value of the funds, on the basis stipulated in each fund’s agreements.

Selling agent fee

Selling agent fee is comprised of commission income from front end fee and back end fee which are recognized on completion of the transaction, and retaining fee income which is recognized when service rendered over the period of time.

Bond representative fee

Bond representative fee is recognized as a performance obligation satisfied over time, and recognized based on contractual rate agreed with customers.

4.1.2 Gain (loss) on trading in securities

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

4.1.3 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.

4.1.4 Expenses

Expenses are recognized on an accrual basis based on the effective interest rate.

4.2 Interest on borrowing

Interest on borrowing is recognized as an expense on an accrual basis based on the effective interest rate.

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 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

- 1) Debt instruments that meet the following conditions are measured subsequently at amortized cost;
 - The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- 2) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “Gains and return on financial instruments” line item in profit or loss.

- 3) All other financial assets are measured subsequently at FVTPL.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost and securities business receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes ECL for investments in debt instruments that are measured at amortized cost and securities business receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Policies applicable before January 1, 2020

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.

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.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

Policies applicable before January 1, 2020

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 subsidiaries and associated companies

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

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

4.7 Securities and derivatives business receivables and allowance for expected credit loss

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.

4.8 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
Right-of-use assets	3 - 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 an 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.

4.9 Intangible assets

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

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

Deferred REIT license fees	5 years
Computer software	2 - 5 years

Intangible assets with indefinite useful life consist of other deferred license fees and Digital token 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).

4.10 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 Leases

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are as follows.

Policies applicable from January 1, 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Building improvements and equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

Policies applicable before January 1, 2020

Long-term lease

411.1 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 as expenses to the statements of comprehensive income over the lease term.

4.11.2 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.

4.12 Employee benefits

4.12.1 Provident fund

The Company and its subsidiaries 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 subsidiaries and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiaries. The contributions for provident fund are recorded as expenses in the statements of comprehensive income for the period they incur.

4.12.2 Post-employment benefits

The Company and its subsidiaries 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.

Past service cost related to the plan amendment is recognized as an expense in the income statement when the plan amendment is effective.

4.12.3 Unused paid vacation leave

For the six-month period ended June 30, 2019. The Company and its subsidiaries 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 subsidiaries expect to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

4.13 Provisions

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

4.14 Income tax

Income tax comprises current income tax and deferred income tax.

4.14.1 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.

4.14.2 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 subsidiaries 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 subsidiaries. The Company and its subsidiaries do not recognize deferred tax assets and liabilities for the goodwill.

The Company and its subsidiaries 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 subsidiaries to offset the recognized amounts and the Company and its subsidiaries 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 subsidiaries 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.

4.15 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.

4.16 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.

4.17 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.

4.18 Use of management's critical judgments and key sources of estimation uncertainty

4.18.1 Use of management's critical judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standard 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 revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

4.18.2 Key sources of estimation uncertainty

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company's management has to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.2.5.

4.19 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,
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	500,704,269	427,917,336	262,460,971	301,820,064
<u>Less</u> Cash deposits held for customers*	<u>(4,401,394)</u>	<u>(12,161,502)</u>	<u>(4,332,343)</u>	<u>(12,110,879)</u>
Total cash and cash equivalents	<u>496,302,875</u>	<u>415,755,834</u>	<u>258,128,628</u>	<u>289,709,185</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, 2020 and December 31, 2019, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 4.40 million and Baht 12.16 million, respectively, and the separate statements of financial position in amounting to Baht 4.33 million and Baht 12.11 million, respectively, which the Company must return to the customers at call.

As at June 30, 2020 and December 31, 2019, the securities business customers with outstanding balance of 413 accounts and 425 accounts, respectively, which were transferred to Krungthai Zmico Securities Co., Ltd. (see Note 36), have not yet returned the open account agreements for securities trading to Krungthai Zmico Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.33 million and Baht 4.28 million, respectively, and shares with the values of Baht 72.47 million and Baht 103.73 million, respectively. However, when the customers have returned the open account agreements for securities trading to Krungthai Zmico Securities Co., Ltd., the assets of these customers will be returned to Krungthai Zmico Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	Unit : Baht	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	June 30,	December 31,
	2020	2019
Other receivables		
Receivables under litigation	38,574,206	42,548,314
Total securities business receivables	<u>38,574,206</u>	<u>42,548,314</u>
<u>Less</u> Allowance for expected credit loss	<u>(38,574,206)</u>	<u>(42,548,314)</u>
Total	<u>-</u>	<u>-</u>

The Company classified securities business receivables and allowance for expected credit loss was as follow:

	Unit : Baht		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at June 30, 2020		
	Securities business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
<u>Securities business receivables</u>			
Performing debts	-	-	-
Under-performing debts	-	-	-
Non-performing debts	38,574,206	38,574,206	(38,574,206)
Total	38,574,206	38,574,206	(38,574,206)

	Unit : Baht		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2019		
	Securities business receivables and accrued interest receivables	Allowance for doubtful account	Securities business receivables and accrued interest receivables - net
Normal debts	-	-	-
Substandard debts	-	-	-
Doubtful debts	42,548,314	(42,548,314)	-
Total	42,548,314	(42,548,314)	-

7. NON - COLLATERALISED INVESTMENTS

7.1 Non - collateralised investments were as follows:

	Unit : Baht
	CONSOLIDATED
	FINANCIAL STATEMENTS
	As at
	June 30,
	2020
1. Investments, fair value through profit or loss	
Equity securities :	
Listed securities	84,874,510
Ordinary shares	46,528,331
Total equity securities	<u>131,402,841</u>
Debt securities	
Bill of exchange	296,961,074
Unit trust	21,679,584
Corporate debt securities	3,351,914
Total debt securities	<u>321,992,572</u>
Total investments, fair value through profit or loss	<u>453,395,413</u>
2. Investments, fair value through other comprehensive income	
Listed securities	147,738,954
Total investments, fair value through other comprehensive income	<u>147,738,954</u>
3. Investments, amortized cost securities	
Certificate of deposits	19,046,042
Bill of exchange	55,686,799
Less Allowances for expected credit loss	(55,686,799)
Total investments, amortised cost securities	<u>19,046,042</u>
Total non-collateralised investments	<u>620,180,409</u>
	Unit : Baht
	SEPARTE
	FINANCIAL STATEMENTS
	As at
	June 30,
	2020
1. Investments, fair value through profit or loss	
Equity securities :	
Listed securities	84,874,510
Ordinary shares	46,528,331
Total equity securities	<u>131,402,841</u>
Debt securities	
Bill of exchange	296,961,074
Unit trust	21,679,584
Total debt securities	<u>318,640,658</u>
Total investments, fair value through profit or loss	<u>450,043,499</u>
2. Investments, fair value through other comprehensive income	
Listed securities	147,738,954
Total investments, fair value through other comprehensive income	<u>147,738,954</u>
Total non-collateralised investments	<u>597,782,453</u>

As at December 31, 2019, The Company has investments in debt and equity securities classified by investment type as follows:

CONSOLIDATED FINANCIAL STATEMENTS As at December 31, 2019		
	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>		
Equity securities - Listed securities	35,951,541	14,148,784
Debt securities - Corporate bond	3,195,550	3,195,550
Debt securities - Bill of exchange	645,486,175	583,802,331
Total	684,633,266	601,146,665
<u>Less</u> Revaluation adjustments	(18,352,802)	-
<u>Less</u> Allowance for impairment	(65,133,799)	-
Total trading securities	601,146,665	601,146,665
<u>Available-for-sale securities</u>		
Equity securities - Listed securities	168,559,655	133,401,107
<u>Less</u> Revaluation adjustments	(35,158,548)	-
Total available-for-sale securities	133,401,107	133,401,107
<u>Held-to-maturity investments</u>		
Deposits at financial institutions	19,000,000	19,000,000
Total held-to-maturity investments	19,000,000	19,000,000
<u>General investments</u>		
Ordinary shares	51,607,203	45,882,412
Preference shares	125,000	125,000
Total	51,732,203	46,007,412
<u>Less</u> Allowance for impairment	(5,724,791)	-
Total general investments	46,007,412	46,007,412
Total investments	799,555,184	799,555,184

**SEPARATE
FINANCIAL STATEMENTS
As at December 31,
2019**

	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>		
Equity securities - Listed securities	35,951,541	14,148,784
Debt securities - Bill of exchange	580,352,376	583,802,331
Total	616,303,917	597,951,115
<u>Less</u> Revaluation adjustments	(18,352,802)	-
Total trading securities	597,951,115	597,951,115
<u>Available-for-sale securities</u>		
Equity securities - Listed securities	168,559,655	133,401,107
<u>Less</u> Revaluation adjustments	(35,158,548)	-
Total available-for-sale securities	133,401,107	133,401,107
<u>General investments</u>		
Ordinary shares	51,607,203	45,882,412
Preference shares	125,000	125,000
Total	51,732,203	46,007,412
<u>Less</u> Allowance for impairment	(5,724,791)	-
Total general investments	46,007,412	46,007,412
Total investments	777,359,634	777,359,634

7.2 Deposit at financial institutions and debt securities classified by remaining periods to maturity

	Unit : Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at June 30, 2020			
	Within 1 year	1 - 5 years	Over 5 years	Total
Certificate of deposits	19,046,042	-	-	19,046,042
Total	19,046,042	-	-	19,046,042

	Unit: Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2019			
	Within 1 year	1 - 5 years	Over 5 years	Total
Certificate of deposits	19,000,000	-	-	19,000,000
Total	19,000,000	-	-	19,000,000

(The separate financial statements as at June 30, 2020 and December 31, 2019: Nil)

7.3 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, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	Baht	Baht	Baht	Baht
Beginning balance of the period	(26,744,233)	(12,873,149)	(26,744,233)	(12,873,149)
Changes during the period				
- from re-measuring of investments	52,164,190	(17,338,855)	52,164,190	(17,338,855)
- from deferred tax adjustment	(10,432,838)	3,467,771	(10,432,838)	3,467,771
Ending balance of the period	<u>14,987,119</u>	<u>(26,744,233)</u>	<u>14,987,119</u>	<u>(26,744,233)</u>

7.4 Investment in equity instruments designated at fair value through other comprehensive income was as follow:

Investments	Reason for use of alternative in presentation as mentioned	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			Reason to transfer
		As at June 30, 2020			
		Fair value	Dividend received for the six-month period ended June 30, 2020	Retained earnings (deficit) transferred in owner's equity	
Thai Foods Group Plc.	Intention to held in long-term period	104,148,036	4,233,660	-	-
Charn Issara Development Plc.	Intention to held in long-term period	19,926,000	382,075	-	-
Others	Intention to held in long-term period	23,664,918	1,191,481	-	-
Total		<u>147,738,954</u>	<u>5,807,216</u>	<u>-</u>	

During the period ended of June 30, 2020, the Company writes off investments as follows:

Write - off items :	Fair value at write - off date	Dividend received	Retained earning or Retained losses from write - off	Unit : Baht
				Reason to transfer
Yeah1 Group Corporation	8,179,791	-	(41,101,537)	Sell
Other	823,958	-	88,952	Sell
Total	<u>9,003,749</u>	<u>-</u>	<u>41,012,585</u>	

8. SHORT-TERM LOANS TO RELATED PARTIES

The Company has short-term loans to a subsidiary which without collateral and the details are as follows:

SEPARATE FINANCIAL STATEMENTS						
As at June 30, 2020						
	Interest Rate	Contract Date	Maturity Date	Principle Amount	Accrued Interest	Total
	Per annum (%)			Baht	Baht	Baht
Loan	5.00	September 24, 2019	July 16, 2020	19,000,000	729,372	19,729,372
Total				<u>19,000,000</u>	<u>729,372</u>	<u>19,729,372</u>

SEPARATE FINANCIAL STATEMENTS						
As at December 31, 2019						
	Interest Rate	Contract Date	Maturity Date	Principle Amount	Accrued Interest	Total
	Per annum (%)			Baht	Baht	Baht
Loan	5.00	September 24, 2019	July 16, 2020	19,000,000	256,967	19,256,967
Total				<u>19,000,000</u>	<u>256,967</u>	<u>19,256,967</u>

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

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

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method	
			As at	As at	As at	As at	As at	As at	As at	As at
			June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
			2020	2019	2020	2019	2020	2019	2020	2019
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
Krungthai Zmico										
Securities Co., Ltd	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,349.1	1,297.8
Scentimental (Thailand) Co., Ltd	Import and whole sale perfume and cosmetics	Ordinary share	100.0	100.0	26.00	26.00	26.0	26.0	12.9	15.4
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	192.9	197.2
							<u>1,487.9</u>	<u>1,487.9</u>	<u>1,554.9</u>	<u>1,510.4</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, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries										
Innotech Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary	67.6	112.7	100.00	100.00	275.8	275.8	54.6	63.8
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing asset of financial institution	Ordinary	25.0	25.0	100.00	100.00	25.0	25.0	24.2	24.2
SE Digital Co., Ltd.	Digital Assets	Ordinary	475.0	475.0	100.00	100.00	475.0	475.0	422.0	442.7
<u>Less</u> Allowance for impairment							(221.2)	(212.0)	-	-
							<u>554.6</u>	<u>563.8</u>	<u>500.8</u>	<u>530.7</u>
Associate										
Krungthai ZMICO Securities Co., Ltd.	Securities business	Ordinary	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,349.1	1,297.8
Scentimental (Thailand) Co., Ltd.	Import Export Retail and whole sale perfume and cosmetics	Ordinary	100.0	100.0	26.00	26.00	26.0	26.0	12.9	15.4
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary	60.0	60.0	30.0	30.0	217.8	217.8	192.9	197.2
							<u>1,487.9</u>	<u>1,487.9</u>	<u>1,554.9</u>	<u>1,510.4</u>
							<u>2,042.5</u>	<u>2,051.7</u>	<u>2,055.7</u>	<u>2,041.1</u>

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, 2020			As at December 31, 2019		
	Million Baht			Million Baht		
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total assets	2,718.1	163.8	2,881.9	3,075.6	154.8	3,230.4
Total liabilities	(1,553.8)	(111.4)	(1,665.2)	(1,944.4)	(98.7)	(2,043.1)
Net assets	1,164.3	52.4	1,216.7	1,131.2	56.1	1,187.3

	For the three-month period ended June 30, 2020			For the three-month period ended June 30, 2019		
	Million Baht			Million Baht		
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total revenue	186.8	21.0	207.8	124.3	44.0	168.3
Share of profit (loss) from investment in associates	31.4	(7.3)	24.1	(7.2)	(0.3)	(7.5)
Net other comprehensive income(loss) for the period	(7.1)	-	(7.1)	(7.6)	-	(7.6)

	For the six-month period ended June 30, 2020			For the six-month period ended June 30, 2019		
	Million Baht			Million Baht		
	Krungthai Zmico Securities Co., Ltd.	Others	Total	Krungthai Zmico Securities Co., Ltd.	Others	Total
Total revenue	339.4	62.1	401.5	254.1	88.4	342.5
Share of profit (loss) from investment in associates	50.7	(6.8)	43.9	(11.8)	(1.7)	(13.5)
Net other comprehensive income(loss) for the period	0.6	-	0.6	(18.3)	-	(18.3)

Scentimental (Thailand) Co., Ltd

On October 11, 2019, the Extraordinary Shareholders' Meeting of the associated company has passed a resolution to increase its share capital 600,000 shares, from 400,000 ordinary shares to 1,000,000 ordinary shares with the par value of Baht 100.00 per share. On October 25, 2019, the Company purchased the additional shares of 122,000 ordinary shares with the par value of Baht 100.00 per share, with the additional investment value of Baht 12.20 million. As a result, the shareholding in this associated company has decreased from 34.50% to 26.00% of issued and paid-up share capital of the associated company amounting to Baht 26.00 million.

Innotech Asset Management Co., Ltd

On December 11, 2018, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to increase the registered capital of Baht 20.00 million from Baht 205.40 million to Baht 225.40 million with 2,000,000 ordinary shares of Baht 10.00 per share and will be sold to the existing shareholders at the par value 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. The subsidiary company already received cash for such increased share capital on December 19, 2018 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on January 4, 2019.

On August 16, 2019, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to decrease the registered and paid-up capital from Baht 225.40 million to Baht 112.70 million by decreasing par value from Baht 10.00 to Baht 5.00 and to offset the premium on share capital to reduce retained deficits and registered the decrease in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on September 26, 2019.

On February 14, 2020, the Extraordinary General Meeting of Shareholders of Innotech Asset Management Co., Ltd. passed the resolution to decrease the registered and paid-up capital from Baht 112.70 million to Baht 67.62 million by decreasing number of authorized share capital from 22,540,000 shares to 13,524,000 shares and to offset the premium on share capital to reduce retained deficits and registered the decrease in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on March 30, 2020.

SE Digital Co., Ltd

On August 24, 2018, the Board of Directors' meeting passed the resolution to invest in ordinary shares of SE Digital Co., Ltd. which is the Company's subsidiary company is Baht 25.00 million. Moreover, On March 28, 2019, the ordinary shareholders' meetings of SE Digital Co., Ltd. passed the resolution to increase the registered capital of Baht 450.00 million from Baht 25.00 million to Baht 475.00 million with 4,750,000 ordinary shares of Baht 100.00 per share and will be sold to the existing shareholders at the par value to be used in business operations. The subsidiary company already received cash for such increased share capital on March 28, 2019 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on March 29, 2019.

10. ALLOWANCE FOR EXPECTED CREDIT LOSS

Allowances for expected credit loss as at June 30, 2020 consisted of the following:

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENT			
	Allowance for performing	Allowance for under- performing	Allowance for non- performing	Total
<u>Securities business receivables</u>				
Beginning balance	-	-	42,548,314	42,548,314
Change in allowance for ECL during the period	-	-	(3,974,108)	(3,974,108)
Ending balance	-	-	38,574,206	38,574,206
<u>Debt securities are measured at amortized cost</u>				
Beginning balance	-	-	65,133,799	65,133,799
Change in allowance for ECL during the period	-	-	(9,447,000)	(9,447,000)
Ending balance	-	-	55,686,799	55,686,799

Unit : Baht

	SEPARATE FINANCIAL STATEMENT			
	Allowance for performing	Allowance for under- performing	Allowance for non- performing	Total
<u>Securities business receivables</u>				
Beginning balance	-	-	42,548,314	42,548,314
Change in allowance for ECL during the period	-	-	(3,974,108)	(3,974,108)
Ending balance	-	-	38,574,206	38,574,206

Allowances for doubtful accounts as at December 31, 2019 consisted of the following:

Unit: Baht

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
December 31, 2019**

<u>Securities business receivables</u>	
Balances - beginning of the year	62,605,839
<u>Less</u> Reversal of allowances for doubtful accounts during the year	(20,057,525)
Balances - ending of the year	42,548,314

11. BUILDING IMPROVEMENTS AND EQUIPMENT

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2020 as previously stated	Effects of the Initial Adoption of TFRS 16	Balance as at January 1, 2020	Increase	Decrease	Balance as at June 30, 2020
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Building improvement	12,897,405	-	-	165,307	-	13,062,712
Office equipment	10,781,921	-	-	849,939	(67,196)	11,564,664
Vehicles	7,378,000	-	-	-	-	7,378,000
Right-of-use assets	-	13,568,774	13,568,774	-	-	13,568,774
Total cost	<u>31,057,326</u>	<u>13,568,774</u>	<u>13,568,774</u>	<u>1,015,246</u>	<u>(67,196)</u>	<u>45,574,150</u>
Accumulated depreciation						
Building improvement	(8,068,672)	-	-	(549,921)	-	(8,618,593)
Office equipment	(7,934,249)	-	-	(679,779)	18,037	(8,595,991)
Vehicles	(3,495,182)	-	-	(733,768)	-	(4,228,950)
Right-of-use assets	-	-	-	(1,452,692)	-	(1,452,692)
Total accumulated depreciation	<u>(19,498,103)</u>	<u>-</u>	<u>-</u>	<u>(3,416,160)</u>	<u>18,037</u>	<u>(22,896,226)</u>
Total building improvements and equipment	<u>11,559,223</u>					<u>22,677,924</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Increase	Decrease	Balance as at June 30, 2019
	Baht	Baht	Baht	Baht
Cost				
Building improvement	7,803,814	1,309,440	(70,620)	9,042,634
Building improvement - in progress	-	1,802,498	-	1,802,498
Office equipment	7,945,069	1,321,146	-	9,266,215
Vehicles	7,378,000	-	-	7,378,000
Total cost	<u>23,126,883</u>	<u>4,433,084</u>	<u>(70,620)</u>	<u>27,489,347</u>
Accumulated depreciation				
Building improvement	(7,363,058)	(304,587)	41,681	(7,625,964)
Office equipment	(6,997,839)	(328,086)	-	(7,325,925)
Vehicles	(2,019,582)	(731,735)	-	(2,751,317)
Total accumulated depreciation	<u>(16,380,479)</u>	<u>(1,364,408)</u>	<u>41,681</u>	<u>(17,703,206)</u>
Total building improvements and equipment	<u>6,746,404</u>			<u>9,786,141</u>
Depreciation for the six-month periods ended June 30,				
2020				<u>3,416,160</u>
2019				<u>1,364,408</u>

	SEPARATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2020 as previously stated	Effects of the Initial Adoption of TFRS 16	Balance as at January 1, 2020	Increase	Decrease	Balance as at June 30, 2020
	Baht	Baht	Baht	Baht	Baht	Baht
Cost						
Building improvement	6,281,587	-	-	2,380	-	6,283,967
Office equipment	2,959,931	-	-	7,204	(67,196)	2,899,939
Vehicles	7,378,000	-	-	-	-	7,378,000
Right-of-use assets	-	6,018,384	6,018,384	-	-	6,018,384
Total cost	<u>16,619,518</u>	<u>6,018,384</u>	<u>6,018,384</u>	<u>9,584</u>	<u>(67,196)</u>	<u>22,580,290</u>
Accumulated depreciation						
Building improvement	(4,912,356)	-	-	(158,774)	-	(5,071,130)
Office equipment	(2,234,024)	-	-	(150,659)	18,037	(2,366,646)
Vehicles	(3,495,182)	-	-	(733,768)	-	(4,228,950)
Right-of-use assets	-	-	-	(598,550)	-	(598,550)
Total accumulated depreciation	<u>(10,641,562)</u>	<u>-</u>	<u>-</u>	<u>(1,641,751)</u>	<u>18,037</u>	<u>(12,265,276)</u>
Total building improvements and equipment	<u>5,977,956</u>					<u>10,315,014</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2019	Increase	Decrease	Balance as at June 30, 2019
	Baht	Baht	Baht	Baht
Cost				
Building improvement	4,937,027	1,156,960	-	6,093,987
Office equipment	2,260,707	258,691	-	2,519,398
Vehicles	7,378,000	-	-	7,378,000
Total cost	<u>14,575,734</u>	<u>1,415,651</u>	<u>-</u>	<u>15,991,385</u>
Accumulated depreciation				
Building improvement	(4,544,477)	(290,379)	-	(4,834,856)
Office equipment	(1,913,807)	(101,254)	-	(2,015,061)
Vehicles	(2,019,582)	(731,735)	-	(2,751,317)
Total accumulated depreciation	<u>(8,477,866)</u>	<u>(1,123,368)</u>	<u>-</u>	<u>(9,601,234)</u>
Total building improvements and equipment	<u>6,097,868</u>			<u>6,390,151</u>
Depreciation for the six-month periods ended June 30,				
2020				<u>1,641,751</u>
2019				<u>1,123,368</u>

The Company has adopted TFRS 16 from January 1, 2020, the impact from the adoption of new financial reporting standards on the lease liabilities as at January 1, 2020 has been presented in Note 3.2

As at June 30, 2020 and December 31, 2019, 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 amounting to Baht 14.21 million and Baht 13.84 million, respectively.

For the separate financial statements as at June 30, 2020 and December 31, 2019, 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 amounting to Baht 6.57 million and Baht 6.51 million, respectively.

12. INTANGIBLE ASSETS

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2020 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2020 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
Trust	5 years	393,863	-	(39,781)	-	354,082
Digital Token	Indefinite**	66,200,000	-	-	-	66,200,000
Computer software	2 - 5 years	2,388,860	3,265,037	(503,608)	-	5,150,289
Computer software under installation	-	1,724,000	6,102,328	-	(2,774,000)	5,052,328
Total		75,395,216	9,367,365	(543,389)	(2,774,000)	81,445,192

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2019 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2019 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
Digital Token	Indefinite**	66,200,000	-	-	-	66,200,000
Computer software	5 years	151,507	243,622	(43,122)	-	352,007
Total		71,040,000	243,622	(43,122)	-	71,240,500

Amortization for the six-month periods ended June 30,

2020	543,389
2019	43,122

SEPARATE FINANCIAL STATEMENTS						
Useful lives	Balance as at January 1, 2020 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2020 Baht	
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Digital Token	Indefinite**	66,200,000	-	-	-	66,200,000
Computer software	5 years	1	-	-	-	1
Total		<u>69,520,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,520,549</u>

SEPARATE FINANCIAL STATEMENTS						
Useful lives	Balance as at January 1, 2019 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at June 30, 2019 Baht	
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Digital Token	Indefinite**	66,200,000	-	-	-	66,200,000
Computer software	5 years	1	37,236	(1,408)	-	35,829
Total		<u>69,520,549</u>	<u>37,236</u>	<u>(1,408)</u>	<u>-</u>	<u>69,556,377</u>

Amortization for the six-month periods ended June 30,

2020	<u>-</u>
2019	<u>1,408</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 subsidiaries's net cash inflows indefinitely.

** Digital token has indefinite useful lives and they are expected to contribute to the Company and its subsidiary's net cash flows indefinitely.

As at June 30, 2020 and December 31, 2019, 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 7.72 million and Baht 7.65 million, respectively. As at June 30, 2020 and December 31, 2019, 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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for expected credit loss	199,304	199,304	199,304	199,304
Allowance for impairment of investments	46,148,217	45,023,093	46,148,217	45,023,093
Unrealized loss on investments, fair value through profit or loss	2,738,460	4,360,551	2,738,460	4,360,551
Unrealized loss on re-measuring available-for-sale investments	-	6,686,058	-	6,686,058
Other assets	10,357	10,357	10,357	10,357
Unrealized gain on transfer of business to an associated company	22,718,163	22,718,163	-	-
	<u>71,814,501</u>	<u>78,997,526</u>	<u>49,096,338</u>	<u>56,279,363</u>
Deferred tax liabilities				
Unrealized loss on investments, fair value through profit or loss	6,754,981	5,505,948	6,754,981	5,505,948
Unrealized gain on investment, fair value through other comprehensive income	3,746,780	-	3,746,780	-
Amortization of license fees	664,110	664,110	664,110	664,110
	<u>11,165,871</u>	<u>6,170,058</u>	<u>11,165,871</u>	<u>6,170,058</u>
Deferred tax assets	<u>60,648,630</u>	<u>72,827,468</u>	<u>37,930,467</u>	<u>50,109,305</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized	June 30,
	2020	profit or loss	in other	2020
	Baht	(see Note 31)	comprehensive	Baht
		Baht	income	
			Baht	
Deferred tax assets				
Allowance for expected credit loss	199,304	-	-	199,304
Allowance for impairment of investments	45,023,093	1,125,124	-	46,148,217
Unrealized loss on investments, fair value through profit or loss	4,360,551	(1,622,091)	-	2,738,460
Unrealized loss on investment, fair value through other comprehensive income	6,686,058	-	(6,686,058)	-
Other assets	10,357	-	-	10,357
Unrealized gain on transfer of business to an associated company	22,718,163	-	-	22,718,163
	<u>78,997,526</u>	<u>(496,967)</u>	<u>(6,686,058)</u>	<u>71,814,501</u>
Deferred tax liabilities				
Unrealized gain on investments, fair value through profit or loss	5,505,948	1,249,033	-	6,754,981
Unrealized gain on investment, fair value through other comprehensive income	-	-	3,746,780	3,746,780
Amortization of derivative license	664,110	-	-	664,110
	<u>6,170,058</u>	<u>1,249,033</u>	<u>3,746,780</u>	<u>11,165,871</u>
Deferred tax assets	<u>72,827,468</u>	<u>(1,746,000)</u>	<u>(10,432,838)</u>	<u>60,648,630</u>

CONSOLIDATED FINANCIAL STATEMENTS

	As at January 1, 2019	Items as recognized in profit or loss (see Note 31)	Items as recognized in other comprehensive income	As at June 30, 2019
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for expected credit loss	199,304	-	-	199,304
Allowance for impairment of investments	46,576,128	2,581,159	-	49,157,287
Unrealized loss on re-measuring trading investments	4,966,206	(34,686)	-	4,931,520
Unrealized loss on re-measuring Available-for-sale investments	3,218,287	-	(3,218,287)	-
Other assets	10,357	-	-	10,357
Unrealized gain on transfer of business to an associated company	22,721,673	(3,510)	-	22,718,163
	<u>77,691,955</u>	<u>2,542,963</u>	<u>(3,218,287)</u>	<u>77,016,631</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	10,331,927	(2,686,742)	-	7,645,185
Unrealized gain on re-measuring available-for-sale investments	-	-	167,422	167,422
Amortization of derivative license	664,110	-	-	664,110
	<u>10,996,037</u>	<u>(2,686,742)</u>	<u>167,422</u>	<u>8,476,717</u>
Deferred tax assets	<u>66,695,918</u>	<u>5,229,705</u>	<u>(3,385,709)</u>	<u>68,539,914</u>

SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2020	Items as recognized in profit or loss (see Note 31)	Items as recognized in other comprehensive income	As at June 30, 2020
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for expected credit loss	199,304	-	-	199,304
Allowance for impairment of investments	45,023,093	1,125,124	-	46,148,217
Unrealized loss on investments, fair value through profit or loss	4,360,551	(1,622,091)	-	2,738,460
Unrealized loss on investment, fair value through other comprehensive income	6,686,058	-	(6,686,058)	-
Other assets	10,357	-	-	10,357
	<u>56,279,363</u>	<u>(496,967)</u>	<u>(6,686,058)</u>	<u>49,096,338</u>
Deferred tax liabilities				
Unrealized gain on investments, fair value through profit or loss	5,505,948	1,249,033	-	6,754,981
Unrealized gain on investment, fair value through other comprehensive income	-	-	3,746,780	3,746,780
Amortization of derivative license	664,110	-	-	664,110
	<u>6,170,058</u>	<u>1,249,033</u>	<u>3,746,780</u>	<u>11,165,871</u>
Deferred tax assets	<u>50,109,305</u>	<u>(1,746,000)</u>	<u>(10,432,838)</u>	<u>37,930,467</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2019	Items as recognized in profit or loss (see Note 31)	Items as recognized in other comprehensive income	As at June 30, 2019
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for expected credit loss	199,304	-	-	199,304
Allowance for impairment of investments	46,576,128	2,581,159	-	49,157,287
Unrealized loss on re-measuring trading investments	4,966,206	(34,686)	-	4,931,520
Unrealized loss on re-measuring available-for-sale investments	3,218,287	-	(3,218,287)	-
Other assets	10,357	-	-	10,357
	<u>54,970,282</u>	<u>2,546,473</u>	<u>(3,218,287)</u>	<u>54,298,468</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	10,331,927	(2,686,742)	-	7,645,185
Unrealized gain on re-measuring available-for-sale investments	-	-	167,422	167,422
Amortization of derivative license	664,110	-	-	664,110
	<u>10,996,037</u>	<u>(2,686,742)</u>	<u>167,422</u>	<u>8,476,717</u>
Deferred tax assets	<u>43,974,245</u>	<u>5,233,215</u>	<u>(3,385,709)</u>	<u>45,821,751</u>

As at June 30, 2020 and December 31, 2019, the Company has unused tax losses carry forward of Baht 59.84 million and Baht 15.28 million, respectively, which will be expired within 5 years.

14. OTHER ASSETS

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
	Baht	Baht	Baht	Baht
Accrued interest income	636,822	230,455	58,363	-
Prepaid insurance	1,233,027	806,547	563,852	149,160
Prepaid repair and maintenance	1,054,213	229,687	-	-
Prepaid SET fee	191,261	153,270	191,261	153,270
Prepaid other	1,360,131	801,836	238,488	260,379
Other deposits	2,193,583	2,124,733	1,130,394	1,066,944
Corporate income tax claim receivable	3,609,325	12,147,564	3,294,008	3,095,645
Advance payment for legal fee of funds managed by subsidiary	14,429,548	14,443,039	-	-
Other receivables	33,698,035	24,218,300	9,114,728	5,326,246
Others	8,381,385	3,858,241	330,000	455,021
Total	<u>66,787,330</u>	<u>59,013,672</u>	<u>14,921,094</u>	<u>10,506,665</u>

15. OTHER BORROWINGS

As at June 30, 2020 and December 31, 2019, the Company has other borrowings, as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
As at June 30, 2020				
Residual maturities				
Interest rate per annum (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
<u>Other borrowings</u>				
Bill of exchange	3.50	98,553,093	-	98,553,093
Total other borrowings		<u>98,553,093</u>	<u>-</u>	<u>98,553,093</u>

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2019				
Residual maturities				
Interest rate per annum (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
<u>Other borrowings</u>				
Bill of exchange	3.50	148,349,296	-	148,349,296
Total other borrowings		<u>148,349,296</u>	<u>-</u>	<u>148,349,296</u>

SEPARATE FINANCIAL STATEMENTS				
As at June 30, 2020				
Residual maturities				
Interest rate per annum (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
<u>Other borrowings</u>				
Bill of exchange	3.50	98,553,093	-	98,553,093
Loan	3.50	200,000,000	-	200,000,000
Total other borrowings		<u>298,553,093</u>	<u>-</u>	<u>298,553,093</u>

SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2019				
Residual maturities				
Interest rate per annum (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
<u>Other borrowings</u>				
Bill of exchange	3.50	148,349,296	-	148,349,296
Loan	3.50	350,000,000	-	350,000,000
Total other borrowings		<u>498,349,296</u>	<u>-</u>	<u>498,349,296</u>

Movements in other borrowings during the six-month periods ended June 30, 2020 and 2019 are summarized below:

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	June 30,	June 30,
	2020	2019
	Baht	Baht
Beginning balance	148,349,296	528,062,334
Financing cash flow		
Cash received from other borrowings	98,131,223	504,556,108
Cash paid from other borrowings	(150,000,000)	(910,000,000)
Non - cash item changes		
Interest expenses	2,072,574	7,260,948
Ending balance of the periods	<u>98,553,093</u>	<u>129,879,390</u>

	SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	June 30,	June 30,
	2020	2019
	Baht	Baht
Beginning balance	498,349,296	528,062,334
Financing cash flow		
Cash received from other borrowings	98,131,223	504,556,108
Cash paid from other borrowings	(150,000,000)	(910,000,000)
Cash paid from other borrowings	(150,000,000)	-
Non - cash item changes		
Interest expenses	2,072,574	7,260,948
Ending balance of the periods	<u>298,553,093</u>	<u>129,879,390</u>

16. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Post-employment benefits obligation	32,005,613	29,150,909	28,923,451	27,219,542
Unused paid vacation leave	-	1,748,776	-	1,185,318
	<u>32,005,613</u>	<u>30,899,685</u>	<u>28,923,451</u>	<u>28,404,860</u>

Post-employment benefits obligation

The Company and its subsidiaries 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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods		For the three-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Current service cost	1,324,772	429,351	756,689	374,968
Interest cost	102,578	53,993	95,266	51,319
	<u>1,427,350</u>	<u>483,344</u>	<u>851,955</u>	<u>426,287</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Current service cost	2,649,548	869,152	1,513,377	749,935
Interest cost	205,156	108,522	190,532	102,638
Past service cost	-	20,549	-	-
	<u>2,854,704</u>	<u>998,223</u>	<u>1,703,909</u>	<u>852,573</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,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	29,150,909	11,125,769	27,219,542	10,747,603
Current service cost	2,649,548	869,152	1,513,377	749,935
Interest cost	205,156	108,522	190,532	102,638
Past service cost	-	20,549	-	-
Ending balance of post-employment benefits obligation	<u>32,005,613</u>	<u>12,123,992</u>	<u>28,923,451</u>	<u>11,600,176</u>

The principle actuarial assumptions used to calculate the obligation under the post-employment benefits plans as at June 30, 2020 and December 31, 2019 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (% per annum)		
Financial assumptions	As at June 30, 2020	As at December 31, 2019
Discount rate	1.40 - 1.87	1.40 - 1.87
Employee turnover rate	4.0 - 29.0	4.0 - 29.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	5.0	5.0

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 FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Salary incremental rates - 1% increase	1,843,264	1,031,970	1,564,643	865,221
Salary incremental rates - 1% decrease	(1,652,624)	(929,284)	(1,416,367)	(787,420)
Life expectancy rate - 1% increase	100,804	63,544	86,351	53,756
Life expectancy rate - 1% decrease	(100,334)	(63,244)	(85,975)	(53,515)
Turnover rate - 1% increase	(1,605,098)	(987,114)	(1,373,589)	(839,695)
Turnover rate - 1% decrease	750,588	431,123	565,641	318,144
Discount rate - 1% increase	(1,522,382)	(937,364)	(1,304,245)	(798,299)
Discount rate - 1% decrease	1,726,712	1,060,708	1,462,717	893,139

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

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

17. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	Baht	Baht	Baht	Baht
Withholding tax payable	1,526,409	2,096,661	613,126	564,944
Value-added-tax payable	226,766	505,534	95,383	111,624
Other payables	7,258,014	7,773,509	5,976,860	6,509,891
Accrued expenses	7,618,693	19,610,537	2,248,846	16,908,945
Amounts of capital reduction and dividend not redeemed by shareholders	5,896,122	5,896,124	5,896,122	5,896,124
Liabilities under lease agreement	12,406,013	-	6,865,934	-
Others	636,399	1,069,266	689,993	1,117,833
Total	35,568,416	36,951,631	22,386,264	31,109,361

18. SHARE CAPITAL

On December 12, 2018, the Extraordinary General Meeting of shareholders approved the resolutions are as follow:

- 1) Approved the Company's registered capital decrease from the registered capital of Baht 941,964,586 to Baht 653,868,463 by cancelling 576,192,246 authorized but unissued ordinary shares at the par value of Baht 0.50 per share which the Company registered with the Ministry of Commerce on December 25, 2018.
- 2) Approved the Company's registered capital increase from the registered capital of Baht 653,868,463 to Baht 1,240,302,463 by issuing newly ordinary shares not exceeding 1,172,868,000 shares at the par value of Baht 0.50 per share to be offered for sale to a specific investor on the private placement basis and to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary share with the Ministry of Commerce on December 26, 2018.
- 3) Approved the issuance and allocation of not exceeding 346,000,000 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 467,100,000 to be offered for sale to a specific investor on the private placement basis which the Company already received cash for such share capital increase on March 8, 2019 and registered the increase in authorized share capital and issued and paid-up share capital with the Ministry of Commerce on March 11, 2019.
- 4) Approved 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 413,434,000 units free of charge at the ratio of 4 existing ordinary shares to 1 unit of the Warrants (any fraction thereof would be disregarded), for a term of not exceeding 5 years from the issue date of the Warrants, with the exercise ratio of 1 unit to 2 newly issued ordinary shares, and at the exercise price of THB 2.70 per share. The Company had allocated the Warrants on April 18, 2019.

As at June 30, 2020 and December 31, 2019, the Company has authorized share capital of Baht 1,240,302,463 and issued and paid-up share capital of Baht 826,868,463.

Weighted average number of ordinary shares as at June 30, 2020 and 2019 are calculated as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT For the three and six month periods ended June 30, 2020		2019	
	Shares		Shares	
Beginning balance (Baht 0.50 per share)	1,653,736,926		1,307,736,926	
Increase during the periods	-		214,099,448	
Weighted average number of ordinary shares	<u>1,653,736,926</u>		<u>1,521,836,374</u>	

19. DIVIDEND

On July 21, 2020, the Annual General Meeting of Shareholders of the year 2020 has passed the resolution to omit the dividend payment for the operation for the year ended December 31, 2019.

On April 26, 2019, the Annual General Meeting of Shareholders of the year 2019 has passed the resolution to omit the dividend payment for the operation for the year ended December 31, 2018.

20. CAPITAL MANAGEMENT

The objectives of capital management of the Company and its subsidiaries are to sustain the Company and its subsidiaries'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 subsidiaries have to maintain their net liquid capital and equity to meet the requirements of the Office of the Securities and Exchange Commission.

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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019, the Company has statutory reserve at the rate of 8.87 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,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	186,604	94,934	-	-
Digital asset business	17,266,463	-	-	-
Others	125,000	218,750	125,000	218,750
Total	<u>17,578,067</u>	<u>313,684</u>	<u>125,000</u>	<u>218,750</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	308,184	192,250	-	-
Digital asset business	20,742,463	-	-	-
Others	315,407	548,611	315,407	548,611
Total	<u>21,366,054</u>	<u>740,861</u>	<u>315,407</u>	<u>548,611</u>

24. INTEREST INCOMES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Deposit at financial institutions	264,613	677,389	280,488	102,341
Other	247,135	28,366	236,202	236,849
Total	<u>511,748</u>	<u>705,755</u>	<u>516,690</u>	<u>339,190</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Deposit at financial institutions	839,764	1,537,152	736,862	848,385
Other	526,592	32,551	472,404	1,276,651
Total	<u>1,366,356</u>	<u>1,569,703</u>	<u>1,209,266</u>	<u>2,125,036</u>

25. GAINS AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Gains on investment	1,416,075	17,967,727	1,244,605	17,546,428
Dividend income	5,920,172	4,352,040	5,920,172	4,352,040
Total	<u>7,336,247</u>	<u>22,319,767</u>	<u>7,164,777</u>	<u>21,898,468</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Gains on investment	7,890,420	51,333,089	7,687,169	50,563,105
Interest and dividend income	10,591,620	4,667,149	10,591,620	4,667,149
Total	<u>18,482,040</u>	<u>56,000,238</u>	<u>18,278,789</u>	<u>55,230,254</u>

26. 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 2020 and 2019, were approved from the ordinary shareholders' meetings of the Company and its subsidiaries as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Directors' remuneration	<u>2,578,000</u>	<u>2,518,501</u>	<u>2,010,000</u>	<u>1,799,167</u>
	<u>2,578,000</u>	<u>2,518,501</u>	<u>2,010,000</u>	<u>1,799,167</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Directors' remuneration	5,328,968	4,565,168	4,150,000	3,625,834
	<u>5,328,968</u>	<u>4,565,168</u>	<u>4,150,000</u>	<u>3,625,834</u>

27. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Fees for private fund and mutual fund licenses	-	6,233	-	-
Fund management fee	24,041	11,188	-	-
Fee from digital asset business	11,314,463	-	-	-
Others	115,367	323,740	-	281,357
Total	<u>11,453,871</u>	<u>341,161</u>	<u>-</u>	<u>281,357</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Fees for private fund and mutual fund licenses	-	12,397	-	-
Fund management fee	32,179	22,618	-	-
Fee from digital asset business	14,790,463	-	-	-
Others	163,211	643,918	-	559,616
Total	<u>14,985,853</u>	<u>678,933</u>	<u>-</u>	<u>559,616</u>

28. REVERSAL EXPECTED CREDIT LOSS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Investment in debt securities at amortized cost	9,447,000	-	-	-
Securities business receivables	835,582	10,057,525	835,582	10,057,525
Total	10,282,582	10,057,525	835,582	10,057,525

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Investment in debt securities at amortized cost	9,447,000	-	-	-
Securities business receivables	3,974,108	10,057,525	3,974,108	10,057,525
Total	13,421,108	10,057,525	3,974,108	10,057,525

29. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Premises and equipment expenses	3,898,045	2,694,201	1,763,974	1,913,964
Consulting fee	3,787,414	1,714,398	460,905	600,775
Communication and information expenses	1,075,857	501,250	327,004	288,222
Entertainment expenses	2,675	23,697	-	22,940
Publication and marketing expenses	2,049,110	90,888	-	30,388
Traveling expenses	404,738	218,717	231,608	145,841
SET fee	209,129	2,366,491	209,129	2,366,491
Stationery and office supply	399,044	333,015	322,607	289,326
Taxation	36,943	48,380	24,080	29,994
Loss (gain) on exchange rate	-	793,745	-	793,745
Meeting and conference	6,100	429,403	5,196	417,178
Professional fee	1,012,286	2,472,699	473,239	1,714,180
Others	1,363,244	917,514	317,718	865,183
Total	14,244,585	12,604,398	4,135,460	9,478,227

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Premises and equipment expenses	7,805,371	5,443,272	3,687,460	3,744,148
Consulting fee	5,367,898	3,312,742	1,116,114	1,707,500
Communication and information expenses	1,965,857	1,000,616	660,378	582,093
Entertainment expenses	173,393	31,693	2,623	22,940
Publication and marketing expenses	2,868,055	171,688	-	30,388
Traveling expenses	816,484	381,462	537,074	249,124
SET fee	446,755	2,675,322	446,755	2,675,322
Stationery and office supply	485,967	495,105	343,954	313,637
Taxation	1,353,549	166,848	1,309,522	63,586
Loss on exchange rate	-	1,176,634	-	1,176,634
Meeting and conference	29,888	985,905	23,891	971,435
Professional fee	3,092,693	2,818,399	2,056,941	1,920,180
Others	2,035,122	1,439,776	642,436	1,254,123
Total	26,441,032	20,099,462	10,827,148	14,711,110

30. PROVIDENT FUND

The Company and its subsidiaries 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 subsidiaries match the individuals' contributions. The provident fund are managed by TMB Asset Management Public Company Limited. Subsequently, SCB Asset Management Public Company Limited since July 2020.

For the three-month periods ended June 30, 2020 and 2019, the Company has contributed Baht 0.58 million and Baht 0.39 million, respectively, to the fund and the subsidiaries has contributed Baht 0.14 million and Baht 0.07 million, respectively.

For the six-month periods ended June 30, 2020 and 2019, the Company has contributed Baht 1.21 million and Baht 0.77 million, respectively, to the fund and the subsidiaries has contributed Baht 0.27 million and Baht 0.13 million, respectively.

31. INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Income tax – income (expenses)	(2,038,218)	4,457,517	(2,038,218)	4,458,221
Total	(2,038,218)	4,457,517	(2,038,218)	4,458,221

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Income tax – income (expenses) (see Note 13)	(1,746,000)	5,229,705	(1,746,000)	5,233,215
Total	(1,746,000)	5,229,705	(1,746,000)	5,233,215

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Profit (loss) before tax	16,786,331	(7,334,877)	138,340	7,874,935
Tax rate	20%	20%	20%	20%
The result of the account profit (loss) multiplied by the income tax rate - income (expenses)	(3,357,266)	1,466,975	(27,668)	(1,574,987)
Tax effect of the non-deductible income and expense	4,318,600	(2,807,957)	989,002	234,709
Effect of the temporary difference not recognized as deferred tax assets	(4,672,579)	(112,789)	(4,672,579)	(112,789)
Use of tax loss carry forward (unused tax)	1,673,027	5,911,288	1,673,027	5,911,288
Income tax – income (expenses)	(2,038,218)	4,457,517	(2,038,218)	4,458,221

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Profit (loss) before tax	9,000,891	(7,124,851)	(14,257,268)	20,416,770
Tax rate	20%	20%	20%	20%
The result of the account profit (loss) multiplied by the income tax rate – income (expenses)	(1,800,178)	1,424,970	2,851,454	(4,083,354)
Tax effect of the non-deductible income and expense	13,824,489	(5,326,479)	9,172,857	185,355
Effect of the temporary difference not recognized as deferred tax assets	(4,856,025)	(244,252)	(4,856,025)	(244,252)
Use of tax loss carry forward (unused tax)	(8,914,286)	9,375,466	(8,914,286)	9,375,466
Income tax - income (expenses)	(1,746,000)	5,229,705	(1,746,000)	5,233,215

32. 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:

32.1 Balances with related parties as at June 30, 2020 and December 31, 2019 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30, 2020 Baht	December 31, 2019 Baht	June 30, 2020 Baht	December 31, 2019 Baht
Subsidiaries				
Innotech Asset Management Co., Ltd.				
Investment in a subsidiaries (see Note 9)	-	-	54,616,581	63,789,107
Short-term loans	-	-	19,000,000	19,000,000
Accrued interest	-	-	729,372	256,967
Other receivables	-	-	5,744	8,807
Lumpini Asset Management Co., Ltd.				
Investment in subsidiaries (see Note 9)	-	-	25,000,000	25,000,000
SE Digital Co., Ltd.				
Investment in subsidiaries (see Note 9)	-	-	475,000,000	475,000,000
Short-term loan	-	-	200,000,000	350,000,000
Accrued interest expense	-	-	115,068	702,869
Associates				
Krungthai Zmico Securities Co., Ltd.				
Investment in associate (see Note 9)	1,349,136,324	1,297,802,506	1,244,095,520	1,244,095,520
Cash balance for securities trading	50,611,015	5,151,455	50,611,015	5,151,455
Other receivables	7,699,701	5,317,439	7,699,701	5,317,439
Other payables	143,139	323,553	143,139	323,553
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 9)	12,927,349	15,340,486	26,000,000	26,000,000
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 9)	192,863,775	197,225,394	217,800,000	217,800,000
Related companies				
Under common directors				
Thai Foods Group Plc.				
Investment in ordinary shares	104,148,036	88,868,494	104,148,036	88,868,494
Crystal Sealed Professional Car Coating Co., Ltd.				
Investment in ordinary shares	37,800,000	37,800,000	37,800,000	37,800,000

32.2 Significant transactions with related parties for the three-month periods ended June 30, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the three-month periods ended		For the three-month periods ended		
	June 30,		June 30,		
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	
Subsidiaries					
Innotech Asset Management Co., Ltd.					
Interest income from short-term loans	-	-	236,202	236,849	At the rate determined under the contract 5% per year
Service fee income	-	-	1,290,000	1,290,000	At the rate determined under the contract of Baht 430,000 per month (see Note 32.4.4)
Rental income	-	-	219,375	219,375	At the rate determined under the contract of Baht 73,125 per month
Other income	-	-	164,480	15,754	At the actual rate
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	-	22,815	At the rate determined under the contract of Baht 7,605 per month and cancelled the contract since December 31, 2019 onward
SE Digital Co., Ltd.					
Service fee income	-	-	1,410,000	1,410,000	At the rate determined under the contract of Baht 470,000 per month (see Note 32.4.5)
Rental income	-	-	-	240,435	At the rate determined under the contract of Baht 80,145 per month
Other income	-	-	-	18,924	At the actual rate
Associates					
Krungthai 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 32.4.2)
Interest received from Bill of exchange	-	341,880	-	341,880	At the rate determined under the contract
Service expenses	218,280	154,080	218,280	154,080	At the rate determined under the contract (see Note 32.4.1)
Other fee expenses	121,413	402,092	121,413	402,092	At the rate determined under the contract
Management fee of private fund	-	272,481	-	272,481	At the rate determined under the contract (see Note 32.4.3)
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	-	628,531	-	628,531	At the rate determined under the contract
Investment in Bill of exchange	-	14,309,984	-	14,309,984	Investment value
Withdrawal from Bill of exchange	-	14,317,469	-	14,317,469	Investment value
Related with subsidiaries and associate					
Service fee expenses	135,000	279,000	-	-	At the rate determined under the contract

32.3 Significant transactions with related parties for the six-month periods ended June 30, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Pricing policy
	For the six-month periods ended June 30,		For the six-month periods ended June 30,		
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	
Subsidiaries					
Innotech Asset Management Co., Ltd.					
Interest income from short-term loans	-	-	472,404	471,096	At the rate determined under the contract 5% per year
Service fee Income	-	-	2,580,000	2,150,000	At the rate determined under the contract of Baht 430,000 per month (see Note 32.4.4)
Rental income	-	-	438,750	365,625	At the rate determined under the contract of Baht 73,125 per month
Other income	-	-	378,433	23,349	At the actual rate
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	-	60,075	At the rate determined under the contract of Baht 7,605 per month and cancelled the contract since December 31, 2019 onward
SE Digital Co., Ltd.					
Interest income from short-term loan	-	-	6,005,779	801,370	At the rate determined under the contract 5% per year
Service fee income	-	-	2,820,000	2,350,000	At the rate determined under the contract of Baht 470,000 per month (see Note 32.4.5)
Rental income	-	-	-	400,725	At the rate determined under the contract of Baht 80,145 per month
Other income	-	-	-	28,039	At the actual rate
Associates					
Krungthai 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 32.4.2)
Interest received from Bill of exchange	-	341,880	-	341,880	At the rate determined under the contract
Investment in Bill of exchange	-	199,658,120	-	199,658,120	Investment value
Withdrawal from Bill of exchange	-	199,658,120	-	199,658,120	Investment value
Service expenses	372,360	308,160	372,360	308,160	At the rate determined under the contract (see Note 32.4.1)
Other fee expenses	185,399	935,830	185,399	935,830	At the rate determined under the contract
Management fee of private fund	-	541,909	-	541,909	At the rate determined under the contract (see Note 32.4.3)
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	-	2,718,547	-	2,718,547	At the rate determined under the contract
Investment in Bill of exchange	-	38,135,050	-	38,135,050	Investment value
Withdrawal from Bill of exchange	-	52,230,513	-	52,230,513	Investment value
Related with subsidiaries and associate					
Service fee expenses	414,000	531,600	-	-	At the rate determined under the contract

For the three-month and six-month periods ended June 30, 2020 and 2019, compensations paid to key management personnel under TAS 24 (Revised 2019) “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,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Short-term employee benefits	5,864,258	1,936,058	2,681,767	1,130,058
Post-employment benefits	744,849	289,089	372,570	221,594
Total	<u>6,609,107</u>	<u>2,225,147</u>	<u>3,054,337</u>	<u>1,351,652</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended		For the six-month periods ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Short-term employee benefits	11,491,367	3,988,146	5,365,933	2,376,146
Post-employment benefits	1,489,698	578,177	745,140	443,187
Total	<u>12,981,065</u>	<u>4,566,323</u>	<u>6,111,073</u>	<u>2,819,333</u>

32.4 Significant agreements with related parties

32.4.1 On May 28, 2009, the Company entered into the agreement with Krungthai 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 by payment in amount of Baht 150,000 per month. Subsequently, the Company made the agreement to change the fee to be Baht 60,000 per month effectively from July 3, 2017 and to change the fee to Baht 48,000 per month effectively from July 2, 2018.

On April 1, 2020, the Company made the agreement to change the fee to be Baht 68,000 per month effectively from April 1, 2020 to March 31, 2021. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.

32.4.2 On May 1, 2013, the Company entered into agreement with Krungthai Zmico Securities Co., Ltd. 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.

- 32.4.3 On March 21, 2018, the Company entered into an agreement with Krungthai Zmico Securities Co., Ltd. which is associated company. The associated company 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.
- 32.4.4 On February 1, 2019, the Company entered into agreement with Innotech Asset Management Co., Ltd. which is subsidiary company for providing service of compliance and internal audit, risk management and accounting. The Company will receive a monthly fee of Baht 430,000 with the term of the agreement of is one year from February 1, 2019 to January 31, 2020. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.
- 32.4.5 On February 1, 2019, the Company entered into agreement with SE Digital Co., Ltd. which is subsidiary company for providing service of compliance and internal audit, risk management, accounting and corporate administration. The Company will receive a monthly fee of Baht 470,000 with the term of the agreement of is one year from February 1, 2019 to January 31, 2020. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 120 days before the expiry date of the agreement in each time.

33. COMMITMENTS WITH NON-RELATED PARTIES

As at June 30, 2020 and December 31, 2019, the Company and its subsidiaries have commitments under long-term lease agreements for Office equipment and other commitments are as follows: (As at December 31, 2019 including long-term lease agreements for its office building and vehicle)

	CONSOLIDATED		(Unit: Thousand Baht) SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019
Within 1 year	4,522	7,788	2,744	4,428
Over 1 year to 5 years	3,591	10,174	1,635	4,831
Total	8,113	17,962	4,379	9,259

34. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiaries for the three-month and six-month periods ended June 30, 2020 and 2019 are as follows:

(Unit: Thousand Baht)

For the three-month period ended June 30, 2020

	Securities segment	Fund asset Management segment	Investment and other segments	Consolidated Financial statement
Revenue from external customers	31,404	187	17,893	49,484
Total revenues	31,404	187	17,893	49,484
Segment income (loss)	31,404	(145)	17,893	49,152
Unallocated income and expenses:				
Gain on transfer of business to the associated company				-
Other income				9,141
Servicing and administrative expenses				(41,507)
Income tax - expenses				(2,038)
Net profit				14,748

(Unit: Thousand Baht)

For the three-month period ended June 30, 2019

	Securities segment	Fund asset Management segment	Investment and other segments	Consolidated Financial statement
Revenue from external customers	(7,161)	95	22,863	15,797
Total revenues	(7,161)	95	22,863	15,797
Segment income (loss)	(7,161)	(7,424)	22,863	8,278
Unallocated income and expenses:				
Gain on transfer of business to the associated company				4
Other income				1,014
Servicing and administrative expenses				(16,631)
Income tax - income				4,458
Net loss				(2,877)

(Unit: Thousand Baht)

For the six-month period ended June 30, 2020

	Securities segment	Fund asset Management segment	Investment and others segments	Consolidated Financial statement
Revenue from external customers	50,700	308	34,132	85,140
Total revenues	50,700	308	34,132	85,140
Segment income (loss)	50,700	(9,277)	34,132	75,555
Unallocated income and expenses:				
Gain on transfer of business to the associated company				-
Other income				10,815
Servicing and administrative expenses				(77,369)
Income tax - expenses				(1,746)
Net profit				7,255

(Unit: Thousand Baht)

For the six-month period ended June 30, 2019

	Securities segment	Fund asset Management segment	Investment and other segments	Consolidated Financial statement
Revenue from external customers	(11,804)	192	56,439	44,827
Total revenues	<u>(11,804)</u>	<u>192</u>	<u>56,439</u>	<u>44,827</u>
Segment income (loss)	(11,804)	(13,063)	56,439	31,572
Unallocated income and expenses:				
Gain on transfer of business to the associated company				18
Other income				2,156
Servicing and administrative expenses				(40,871)
Income tax - income				<u>5,230</u>
Net loss				<u>(1,895)</u>

Assets classified by segment of the Company as at June 30, 2020 and December 31, 2019 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Fund assets Management segment	Investment and other segments	Assets Management segment	Unallocated assets	Consolidated Financial statement
Assets by segment						
As at June 30, 2020	<u>1,349,136</u>	<u>79,333</u>	<u>1,038,213</u>	<u>24,288</u>	<u>412,753</u>	<u>2,903,723</u>
As at December 31, 2019	<u>1,297,803</u>	<u>86,270</u>	<u>1,438,388</u>	<u>24,260</u>	<u>98,469</u>	<u>2,945,190</u>

35. RISK MANAGEMENT

35.1 Liquidity risk

The Company

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 35/2560 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, 2019 and December 31, 2018, 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, 2020, 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, 2020, the subsidiary is able to maintain the capital adequacy which is in accordance with the SEC’s regulations.

The periods of time from the end of reporting period to the maturity dates of financial instruments as of June 30, 2020 and December 31, 2019 are as follows:

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2020

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	496	-	-	-	-	-	496
Securities business receivables	-	-	-	-	-	39	39
Investments	-	319	-	-	301	-	620
Total	496	319	-	-	301	39	1,155
Financial liabilities							
Other borrowing	-	99	-	-	-	-	99
Total	-	99	-	-	-	-	99

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

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	416	-	-	-	-	-	416
Securities business receivables	-	-	-	-	-	43	43
Investments	-	603	3	-	194	-	800
Total	416	603	3	-	194	43	1,259
Financial liabilities							
Other borrowing	-	148	-	-	-	-	148
Total	-	148	-	-	-	-	148

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2020

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	258	-	-	-	-	-	258
Securities business receivables	-	-	-	-	-	39	39
Investments	-	297	-	-	301	-	598
Loan	-	19	-	-	-	-	19
Total	258	316	-	-	301	39	914
Financial liabilities							
Other borrowing	-	299	-	-	-	-	299
Total	-	299	-	-	-	-	299

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

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	290	-	-	-	-	-	290
Securities business receivables	-	-	-	-	-	43	43
Investments	-	583	-	-	194	-	777
Loan	-	19	-	-	-	-	19
Total	290	602	-	-	194	43	1,129
Financial liabilities							
Other borrowing	-	498	-	-	-	-	498
Total	-	498	-	-	-	-	498

35.2 Significant financial instruments risk

As at June 30, 2020 and December 31, 2019, the Company and its subsidiaries have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

35.2.1 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 subsidiaries and their cash flows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at June 30, 2020

Outstanding balances of net financial instruments
reprising or maturity dates

	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables	No interest	Total	Interest rate (Percent)	
									Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	376	-	-	-	-	-	120	496	0.10 – 1.10	-
Securities business receivables	-	-	-	-	-	39	-	39	-	-
Investments	-	-	319	-	-	-	301	620	-	1.45 – 12.00
Total	376	-	319	-	-	39	421	1,155		
Financial liabilities										
Other borrowing	-	-	99	-	-	-	-	99	-	3.50
Total	-	-	99	-	-	-	-	99		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2019

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	369	-	-	-	-	-	47	416	0.375 - 1.20	-
Securities business receivables	-	-	-	-	-	43	-	43	-	-
Investments	-	-	603	3	-	-	194	800	-	1.60 - 9.00
Total	369	-	603	3	-	43	241	1,259		
Financial liabilities										
Other borrowing	-	-	148	-	-	-	-	148	-	3.50
Total	-	-	148	-	-	-	-	148		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at June 30, 2020

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	163	-	-	-	-	-	95	258	0.10 - 1.10	-
Securities business receivables	-	-	-	-	-	39	-	39	-	-
Investments	-	-	297	-	-	-	301	598	-	6.75 - 12.00
Loan	-	-	19	-	-	-	-	19	-	5.00
Total	163	-	316	-	-	39	396	914		
Financial liabilities										
Other borrowing	-	-	299	-	-	-	-	299	-	3.50
Total	-	-	299	-	-	-	-	299		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

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	258	-	-	-	-	-	32	290	0.375-1.20	-
Securities business receivables	-	-	-	-	-	43	-	43	-	-
Investments	-	-	583	-	-	-	194	777	-	6.35-9.00
Loan	-	-	19	-	-	-	-	19	-	5.00
Total	258	-	602	-	-	43	226	1,129		
Financial liabilities										
Other borrowing	-	-	498	-	-	-	-	498	-	3.50
Total	-	-	498	-	-	-	-	498		

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

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at June 30, 2020			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	341,964,827	839,764	0.49
Investment in debt securities	610,009,178	15,352,695	5.03
Investment, amortized cost securities	19,000,000	139,689	1.47
Financial liabilities			
Other borrowing	108,333,333	1,937,590	3.58
(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2019			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	449,457,357	2,276,170	0.51
Investment in debt securities	487,149,380	25,468,761	5.23
Held-to-maturity investment	22,636,837	356,437	1.57
Financial liabilities			
Other borrowing	248,333,333	8,900,053	3.58
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at June 30, 2020			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	217,048,161	736,862	0.68
Investment in debt securities	544,293,402	15,352,695	5.64
Loan	19,000,000	472,404	5.00
Financial liabilities			
Other borrowing	433,333,333	7,943,369	3.67
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2019			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	214,713,239	1,443,233	0.67
Investment in debt securities	233,936,787	23,335,529	9.98
Loan	35,027,397	1,750,666	5.00
Financial liabilities			
Other borrowing	277,500,000	9,602,922	3.46

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

35.2.3 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, 2020, the Company had unhedged foreign currency - denominated assets as follows:

Asset	Foreign currency	Amount	Exchange rate
		(Unit: thousand)	(Baht per foreign exchange rate) as at June 30, 2020
Ordinary shares	Lao People's Democratic Republic LAK	8,325,774	0.003402
Ordinary shares	United States USD	293	30.6238

35.2.4 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.

35.2.5 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.

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

(Unit : Baht)

Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	June 30, 2020	December 31, 2019		
CONSOLIDATED FINANCIAL STATEMENTS				
<u>Financial Assets</u>				
Non - Collateralised Investment				
Fair value through profit or loss				
Listed securities	84,874,510	14,148,784	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
Ordinary shares	46,528,331	46,007,412	2	Net asset value of the last working day of the reporting period and cost
Debt securities - Bill of exchange	296,961,074	583,802,331	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Unit trust securities	21,679,584	-	2	Net asset value of the last working day of the reporting period
Debt securities - Corporate bond	3,351,914	3,195,550	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Fair value through other comprehensive income				
Listed securities	147,738,954	133,401,107	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
Amortized cost				
Certificate of deposits	19,046,042	19,000,000	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
<u>Financial liabilities</u>				
Other borrowing	98,553,093	148,349,296	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period

(Unit : Baht)

Financial assets/ Financial liabilities	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	June 30, 2020	December 31, 2019		
<u>Financial Assets</u>				
Non - Collateralised Investment				
Fair value through profit or loss				
Listed securities	84,874,510	14,148,784	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
Ordinary shares	46,528,331	46,007,412	2	Net asset value of the last working day of the reporting period and cost
Debt securities - Bill of exchange	296,961,074	583,802,331	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Unit trust securities	21,679,584	-	2	Net asset value of the last working day of the reporting period
Fair value through other				
comprehensive income Listed securities	147,738,954	133,401,107	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
<u>Financial liabilities</u>				
Other borrowing	298,553,093	498,349,296	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period

35.2.5.2 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: (As at June 30, 2020: Nil)

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2019			
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	415,755,834	415,755,834	3	Net present value of expected cash inflow
Held to-maturity investments	19,000,000	19,000,000	3	Net present value of expected cash inflow
General investment Equity securities	46,007,412	46,007,412	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of Exchange	148,349,296	148,349,296	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, 2019			
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	289,709,185	289,709,185	3	Net present value of expected cash inflow
General investment Equity securities	46,007,412	46,007,412	3	Net asset value of invested company
Loan	19,000,000	19,000,000	3	Net present value of expected cash inflow
<u>Financial liabilities</u>				
Other Borrowings				
Bill of exchange	148,349,296	148,349,296	3	Net present value of expected cash outflow
Loan	350,000,000	350,000,000	3	Net present value of expected cash outflow

36. TRANSFER OF BUSINESS

On May 1, 2009, the Company transferred its business and margin loan accounts to Krungthai 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 an 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 six-month periods ended June 30, 2019, the Company recognized additional gain on transfer of business to the associated company of Baht 0.02 million.

As at June 30, 2020 and December 31, 2019, the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.20 million.

37. LITIGATIONS

On March 18, 2019, the Company and an associated company have been jointly sued for the infringement in one financial service.

On November 20, 2019, the Company, an associated company and a third party have been jointly sued from seven prosecutors for the infringement in the same case mentioned above.

At the present, the cases are under the consideration of the Civil Court. The Company's management and lawyer have considered and believed that the Company has sufficient evidence to refute the allegations for both cases.

On March 17, 2020, the Company, an associated company and third party 30 persons have been jointly sued from the same seven prosecutors above in criminal case which is currently in the process of preliminary hearing.

38. 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, 2020.