
***UOB KAY HIAN SECURITIES (THAILAND)
PUBLIC COMPANY LIMITED***

Financial Statements

Year ended December 31, 2018

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of UOB Kay Hian Securities (Thailand) Public Company Limited (the "Company"), which comprise the statement of financial position as at December 31, 2018, and the related statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UOB Kay Hian Securities (Thailand) Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the Code of Ethics for Professional Accountants determined by the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | Key Audit Procedures |
|---|---|
| <p>Revenue recognition - Brokerage fee Brokerage fees are fees from securities business and derivatives business which have terms and conditions to charge the fees based on trading volume. Brokerage fee is key audit matters because the high volume of transactions, robust internal controls over commission rate setting and recording has impacted on the occurrence, completeness and accuracy of this transaction.</p> <p>The accounting policies of revenue recognition, the details of brokerage fees and operating segment information were disclosed in Note 3.1, Note 24 and Note 35 to the financial statements, respectively.</p> | <p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understood the revenue recognition - brokerage fee process and related internal control procedures. • Reviewed the design and implementation of the internal control procedures related to revenue recognition - brokerage fee. • Performed the operating effectiveness testing over the internal control procedures including related information and technology system around revenue recognition - brokerage fee process. • Performed substantive testing as follows: <ul style="list-style-type: none"> - Examined the trading volume information of securities and derivatives of the customers and brokerage fee rates, recalculated the brokerage fees and examined the related supporting documents of those revenues whether the brokerage fees are occurrence and have been accurately and completely recognized. - Performed substantive analytical procedures relating to the brokerage fees. |

| Key Audit Matters | Key Audit Procedures |
|---|--|
| <p>Business acquisition</p> <p>In December 2018, the Company acquired assets and business from a securities company. The final purchase consideration was Baht 172.51 million. The Management assessed that the acquisition of the assets and business from such securities companies qualified as a business acquisition and there was Baht 34.82 million relating to goodwill arose from the business acquisition. Therefore, key audit matter is the correctness of business acquisition whether the process of business acquisition and the identifiable assets acquired including goodwill and liabilities assumed at the acquisition date has been recognized and measured in accordance with TFRSs including related disclosures.</p> <p>Details of the business acquisition was disclosed in Note 1 to the financial statements.</p> | <p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understood the business acquisition process and related internal control procedures. • Tested the design and implementation of the internal control procedures. • Performed substantive testing as follows: <ul style="list-style-type: none"> - Examined the terms and conditions of Asset and Business Transferred Agreement, payment documents, ownership of assets and liabilities transferred documents and related supporting documents. - Examined details of identifiable assets acquired and liabilities assumed at the acquisition date which consists of the examination of existence, rights, obligations, completeness and measurement of the assets and liabilities. - Reviewed the management's assessment that the acquisition were accounted for as a business acquisition and determined that it was appropriately performed. - Reviewed the management's procedure for determining the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. - Involved our independent valuation specialist in evaluating the goodwill arising from the acquisition. - Tested the calculation of goodwill arising from the acquisition. - Reviewed the presentation and related disclosures whether they were made in accordance with TFRSs. |

| Key Audit Matters | Key Audit Procedures |
|--|---|
| <p>Impairment of goodwill</p> <p>The consideration of impairment of goodwill is depended on the management's judgments and key assumptions. Therefore, the key audit matter is whether the valuation of goodwill and impairment of goodwill have been recognized in accordance with TFRSs.</p> <p>Accounting policies of goodwill and impairment and details of goodwill were disclosed in Note 3.10 and Note 12 to the financial statements, respectively.</p> | <p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understood the impairment consideration process and related internal control procedures • Tested the design and implementation of the internal control procedures • Performed the operating effectiveness testing over the internal control procedures around impairment consideration process, and • Performed substantive testing as follows: <ul style="list-style-type: none"> - Involved our internal specialists in assessing and testing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for goodwill. - Examined the correctness of the data used in the estimation of the impairment provision for goodwill with supporting documents and relative report. - Examined the correctness of the calculation of the impairment provision for goodwill. |

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK

February 22, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

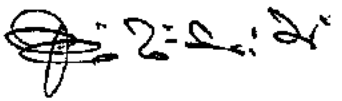
UNIT : BAHT

| | Notes | 2018 | 2017 |
|--|-------|----------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | 5 | 946,858,950 | 219,610,101 |
| Receivables from Clearing House and broker - dealers | 7 | 722,245,403 | 1,519,865 |
| Securities business receivables and | | | |
| Derivatives business receivables | 8 | 2,947,977,366 | 5,339,690,283 |
| Investments | 10 | 273,335,549 | 158,925,815 |
| Premises improvement and equipment | 11 | 128,322,142 | 108,988,054 |
| Goodwill | 12 | 352,345,895 | 342,642,221 |
| Intangible assets | 13 | 33,374,643 | 34,096,527 |
| Deferred tax assets | 14 | 2,700,620 | 14,199,202 |
| Other assets | 15 | 136,974,606 | 126,732,530 |
| TOTAL ASSETS | | 5,544,135,174 | 6,346,404,598 |

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




Mr. Chaipat Narkmontanakum


Mr. Yothin Viriyenawat

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2018

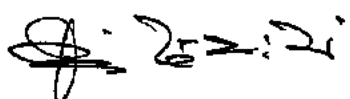
UNIT : BAHT

| | Notes | 2018 | 2017 |
|---|-------|----------------------|----------------------|
| LIABILITIES AND OWNERS' EQUITY | | | |
| LIABILITIES | | | |
| Payables to Clearing House and broker - dealers | 17 | 412,435,515 | 675,548,395 |
| Securities business payables and | | | |
| Derivatives business payables | 18 | 1,501,140,461 | 2,100,583,884 |
| Current tax liabilities | | 3,763,089 | 20,011,704 |
| Employee benefit obligations | 19 | 87,140,029 | 82,892,470 |
| Provisions for litigation | 32.2 | - | 45,463,298 |
| Other liabilities | 20 | 73,171,591 | 90,542,684 |
| TOTAL LIABILITIES | | 2,077,650,685 | 3,015,042,435 |
| OWNERS' EQUITY | | | |
| SHARE CAPITAL | | | |
| Authorized share capital | | | |
| 502,448,570 ordinary shares of Baht 1 each | | 502,448,570 | 502,448,570 |
| Issued and paid-up share capital | | | |
| 502,448,570 ordinary shares of Baht 1 each, fully paid | | 502,448,570 | 502,448,570 |
| ADDITIONAL PAID-IN CAPITAL | | 455,750,395 | 455,750,395 |
| RETAINED EARNINGS | | | |
| Appropriated | | | |
| Legal reserve | 21 | 50,244,857 | 50,244,857 |
| Unappropriated | | 2,458,040,667 | 2,322,918,341 |
| TOTAL OWNERS' EQUITY | | 3,466,484,489 | 3,331,362,163 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 5,544,135,174 | 6,346,404,598 |

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




Mr. Chaipat Narkmontanakum


Mr. Yothin Viriyenawat

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

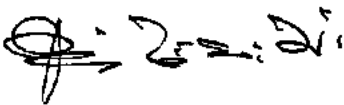
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

| | Notes | 2018 | 2017 |
|---|-------|----------------------|----------------------|
| REVENUES | | | |
| Brokerage fees | 24 | 780,855,931 | 842,809,184 |
| Fees and service income | 25 | 44,617,419 | 69,122,217 |
| Interest on margin loans | | 106,644,084 | 144,669,027 |
| Gains and return on financial instruments | 26 | 95,550,620 | 83,627,589 |
| Other income | | 16,068,259 | 13,455,004 |
| Total revenues | | <u>1,043,736,313</u> | <u>1,153,683,021</u> |
| EXPENSES | | | |
| Employee benefits expenses | | 474,597,637 | 478,259,268 |
| Fees and service expenses | | 85,989,722 | 88,463,624 |
| Finance costs | | 16,328,511 | 21,957,791 |
| (Reversal of) doubtful accounts | | 24,000 | (1,654,580) |
| Reversal of provisions for litigation | 32.2 | (45,463,298) | - |
| Other expenses | 30 | 301,612,211 | 297,176,094 |
| Total expenses | | <u>833,088,783</u> | <u>884,202,197</u> |
| PROFIT BEFORE INCOME TAX | | 210,647,530 | 269,480,824 |
| INCOME TAX | 31 | 39,916,811 | 53,482,446 |
| PROFIT FOR THE YEAR | | <u>170,730,719</u> | <u>215,998,378</u> |




Mr. Chaipat Narkmontanakum


Mr. Yothin Viriyenawat

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

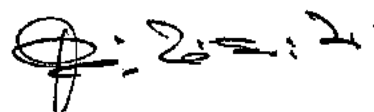
UNIT : BAHT

| | Notes | 2018 | 2017 |
|--|---------------|---------------------------|---------------------------|
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Gains on remeasurements of defined benefit plans | 19 | 12,014,972 | - |
| Income tax relating to components of other comprehensive gain | 14 | (2,402,994) | - |
| NET OTHER COMPREHENSIVE INCOME | | <u>9,611,978</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>180,342,697</u></u> | <u><u>215,998,378</u></u> |
| BASIC EARNINGS PER SHARE | | | |
| | BAHT | 0.34 | 0.43 |
| WEIGHTED AVERAGE NUMBER OF | | | |
| ORDINARY SHARES | SHARES | 502,448,570 | 502,448,570 |

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




Mr. Chaipat Narkmontanakum


Mr. Yothin Viriyenawat

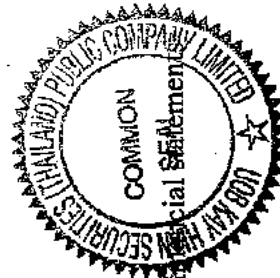
UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

| Notes | Issued and paid-up share capital | Additional paid-in capital | Retained Earnings | | Total |
|---|--|----------------------------------|-------------------------------|----------------|----------------|
| | | | Appropriated Legal reserve | Unappropriated | |
| | | | | | owners' equity |
| Balance as at January 1, 2017 | 502,448,570 | 455,750,395 | 50,244,857 | 2,157,164,820 | 3,165,608,642 |
| Dividends paid | - | - | - | (50,244,857) | (50,244,857) |
| Total comprehensive income for the year | - | - | - | 215,998,378 | 215,998,378 |
| Balance as at December 31, 2017 | 502,448,570 | 455,750,395 | 50,244,857 | 2,322,918,341 | 3,331,362,163 |
| Balance as at January 1, 2018 | 502,448,570 | 455,750,395 | 50,244,857 | 2,322,918,341 | 3,331,362,163 |
| Dividends paid | - | - | - | (45,220,371) | (45,220,371) |
| Total comprehensive income for the year | - | - | - | 180,342,697 | 180,342,697 |
| Balance as at December 31, 2018 | 502,448,570 | 455,750,395 | 50,244,857 | 2,458,040,667 | 3,466,484,489 |



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

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UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

| | Notes | 2018 | 2017 |
|--|--------|---------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax expenses | | 210,647,530 | 269,480,824 |
| Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities | | | |
| Depreciation and amortization | 11, 13 | 42,345,565 | 41,908,903 |
| Employee benefits expenses | 19 | 14,548,806 | 12,861,968 |
| (Reversal of) doubtful accounts | 9 | 24,000 | (1,654,580) |
| Reversal of provisions for litigation | 32.2 | (45,463,298) | - |
| Gain on disposal of equipment | | (259,100) | (1,456,602) |
| Loss on write-off equipment | | 223,022 | 151,692 |
| Loss on impairment of goodwill | 12 | 25,116,325 | 7,235,231 |
| Finance costs | | 16,328,511 | 21,957,791 |
| Interest and dividend income | 26 | (53,898,711) | (48,074,196) |
| Interest on margin loans | | (106,644,084) | (144,669,027) |
| Operating profit before changes in operating assets and liabilities | | 102,968,566 | 157,742,004 |
| (Increase) decrease in operating assets | | | |
| Receivables from Clearing House and broker - dealers | | (720,725,538) | 1,021,348,716 |
| Securities business receivables and Derivatives business receivables | | 2,506,569,862 | (1,368,201,393) |
| Trading securities | | (114,152,934) | 304,707,212 |
| Other assets | | (9,019,567) | (10,457,820) |
| Increase (decrease) in operating liabilities | | | |
| Borrowing from financial institutions | | - | (540,000,000) |
| Payables to Clearing House and broker - dealers | | (263,112,880) | 675,548,395 |
| Securities business payables and Derivatives business payables | | (599,443,423) | (157,498,983) |
| Other liabilities | | (18,238,291) | (20,147,668) |
| Cash received (paid) from operation | | 781,877,229 | (94,701,541) |



Mr. Chaipat Narkmontanakum

Mr. Yothin Viriyenawat

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

| | Notes | 2018 | 2017 |
|---|--------------|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| (Continued) | | | |
| Employee benefit paid | 19 | (5,948,100) | (679,700) |
| Interest paid | | (15,461,313) | (22,364,716) |
| Interest and dividend received | | 163,256,471 | 192,402,232 |
| Income tax paid | | (47,069,838) | (58,587,104) |
| Net cash provided by operating activities | | <u>979,623,015</u> | <u>173,811,175</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Cash received (paid) from investing activities | | | |
| Cash payment for purchases of investment | | (256,800) | - |
| Cash payment for purchases of equipment | 4.1 | (27,766,857) | (22,448,325) |
| Cash payment for purchases of intangible assets | 4.2 | (6,884,879) | (3,406,908) |
| Cash payment for business transferred | 1 | (172,508,633) | - |
| Proceeds from disposal of equipment | | 263,374 | 2,052,115 |
| Net cash used in investing activities | | <u>(207,153,795)</u> | <u>(23,803,118)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash paid from financing activity | | | |
| Dividend paid | 22 | (45,220,371) | (50,244,857) |
| Net cash used in financing activities | | <u>(45,220,371)</u> | <u>(50,244,857)</u> |
| Net increase in cash and cash equivalents | | 727,248,849 | 99,763,200 |
| Cash and cash equivalents as at January 1, | | 219,610,101 | 119,846,901 |
| Cash and cash equivalents as at December 31, | 5 | <u>946,858,950</u> | <u>219,610,101</u> |

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



Chait Nam
Mr. Chaipat Narkmontanakum

Yothin Viriyenawat
Mr. Yothin Viriyenawat

UOB KAY HIAN SECURITIES (THAILAND) PUBLIC COMPANY LIMITED
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. BUSINESS OPERATIONS AND OTHER INFORMATION OF THE COMPANY

UOB Kay Hian Securities (Thailand) Public Company Limited ("the Company") was incorporated as a limited company under Thai laws on July 2, 1998. Subsequently, the Company converted the status to be a public limited company in accordance with the Public Limited Companies Act on February 21, 2005 and was listed on the Stock Exchange of Thailand on November 22, 2005. The Company's head office is located at 130-132, Sindhorn Building Tower I, 2nd and 3rd floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. As at December 31, 2018 and 2017, the Company has 44 and 39 branches, respectively.

UOB-Kay Hian Holdings Limited, incorporated in Singapore, is the major shareholder and the ultimate parent company, holding 70.65% of the Company's issued and paid-up share capital.

The Company operates its business in Thailand and its principle activities are securities brokerage and derivatives agent. The Company was granted licenses from the Ministry of Finance and the Office of the Securities and Exchange Commission to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Derivatives Agent

On November 13, 2018, the Board of Directors (Meeting No. 5/2018) approved the Company's proposal to expand its retail securities business by acquiring the retail stockbroking business of AEC Securities Public Company Limited ("AEC"). The acquisition would result in the transfer of the employment of certain marketing officers and related fixed assets, contracts and leases relevant to the business transferred.

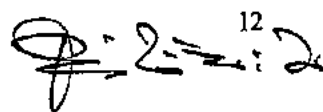
In December 2018, certain assets in relation to the retail securities business, and certain liabilities associated with those assets were transferred from AEC for a consideration of Baht 172,508,633 in accordance with the conditions specified in the agreement.

Fair value of certain assets and liabilities transferred from AEC are as follow:

| | Notes | Baht |
|--|-------|----------------------|
| Assets | | |
| Securities business receivables and derivatives business receivables | | 118,817,130 |
| Premises improvement and equipment | 11 | 26,355,810 |
| Intangible assets | 13 | 177,519 |
| Total assets | | <u>145,350,459</u> |
| Liabilities | | |
| Employee benefit obligations | 19 | (7,661,825) |
| Total liabilities | | <u>(7,661,825)</u> |
| Net assets value | | 137,688,634 |
| Less Purchase price | | <u>(172,508,633)</u> |
| Goodwill | | <u>34,819,999</u> |




 Mr. Chaiwat Narkmontanakum


 Mr. Yothin Virivenawat

The rights and benefits that the Company expects to obtain from marketing officers including customer accounts of such officers transferred from AEC is treated as goodwill and computed to be Baht 34,819,999.

At the date of preparation of these financial statements, the Company may adjust the fair value and other necessary computations which is still in the period of 12 months from the business transferred date.

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 and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission. No. SorTor. 22/2559, dated June 2, 2016, regarding "The Form of Financial Statements for Securities Companies (No.2)", which is effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards.

2.2 An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

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

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

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

2.4.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.



Mr. Chaipat Narkmontanakum

Mr. Yothin Virivenawat

Thai Financial Reporting Standards ("TFRS")

TFRS 1 First-time Adoption of International Financial Reporting Standards

TFRS 15 Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 12 Foreign Currency Transactions and Advance Consideration

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. 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 reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standards ("TAS")

TAS 28 (Revised 2018) Investment in Associates and Joint Ventures

TAS 40 (Revised 2018) Investment Property

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2018) Share-based Payment

TFRS 4 (Revised 2018) Insurance Contracts

2.4.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

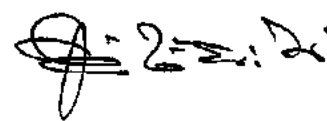
Thai Financial Reporting Standard Interpretations ("TFRIC")

Hedges of a Net Investment in a Foreign Operation

Extinguishing Financial Liabilities with Equity Instruments




Mr. Chaibot Narkmontanakum


Mr. Yothin Virivenawat

The Company's management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes effective. The Company's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

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

Significant accounting policies adopted by the Company are summarized as follows:

3.1 Revenue and expense recognition

Brokerage fees

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

Fee and service income

Fee and service income are recognized as income on an accrual basis.

Gains (losses) on trading in securities and derivatives

Gains (losses) on trading in securities and derivatives are recognized as income or expenses on the transaction date.

Dividend on investments in securities

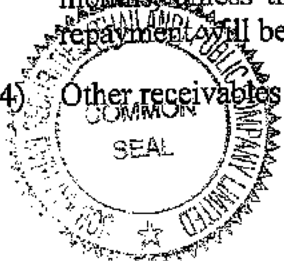
Dividend on investments in securities is recognized as income when the dividend is declared.

Interest on margin loans

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

The following conditions are regarded as having uncertainty in collectability of loans and interest based on the guidelines stipulated by the Office of Securities and Exchange Commission:

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



Mr. Chaipat Narkmontanakum

Mr. Yothin Viriyenawat

Expenses

Expenses are recognized on an accrual basis.

3.2 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts for securities and derivatives trading and credit balance for securities trading is recorded as the assets and liabilities of the Company for internal control purposes. As at the statement of financial position date, the Company writes these amounts off from both assets and liabilities.

3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, all bank deposit accounts with an original maturity of three months or less, call notes receivable and term notes receivable with an original maturity of three months or less and not subject to withdrawal restrictions.

3.4 Deposits at financial institutions

Deposits at financial institutions include fixed deposit, investments in promissory notes issued by financial institutions with an original maturity more than three months and deposits used as collateral.

3.5 Receivables and payables from/to Clearing House and broker-dealers

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

3.6 Securities business receivables and Derivatives business receivables and allowance for doubtful accounts

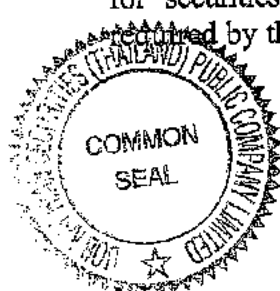
Securities business receivables and Derivatives business receivables comprise 3 categories as follows:

3.6.1 Receivables from securities business and derivatives business of cash accounts

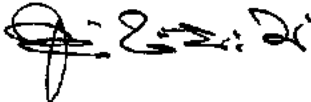
Receivables from securities business and derivatives business of cash accounts are receivables which require cash settlements within 1 - 2 working days after the securities and derivatives' purchasing date.

3.6.2 Loans for securities purchasing

Loans for securities purchasing are accounts that debtors are granted loans for securities purchasing with collaterals placed not lower than the rate required by the Stock Exchange of Thailand.




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3.6.3 Other receivables

Other receivables include overdue receivables from securities business of cash accounts and restructured or installment receivables.

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

3.7 Investments

Investments in trading securities are stated at fair value. Changes in fair value of these securities are recorded as gains or losses in the statement of comprehensive income.

Investments in available-for-sale securities are stated at fair value. Changes in fair value of these securities are recorded as a separate item in owners' equity, and will be recorded as gains or losses in the statement of comprehensive income when the securities are sold.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized/accreted by the effective interest rate method with the amortized/accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities classified as other investments are stated at cost net of allowance for loss on impairment (if any).

Fair value of marketable securities is based on the latest bid price of the last working day of the period. Fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. Fair value of unit trusts is determined from their net asset value.

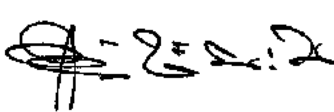
The Company treats available-for-sale securities, held-to-maturity debt securities and other investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists.

The Company accounts for loss on impairment (if any) of investments in available-for-sale securities, held-to-maturity debt securities and other investments in the statement of comprehensive income.

The Company uses the weighted average method for computation of the cost of investments.




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3.8 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 Company 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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2017), leasing transactions that are within the scope of TAS 17 (Revised 2017), and measurements that have some similarities to fair value but are not fair value, such as value in use in TAS 36 (Revised 2017).

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.

3.9 Premises improvement and equipment

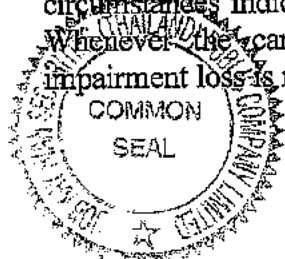
Premises improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

The Company calculates depreciation using the straight-line method based on the estimated useful lives of the assets as follows:

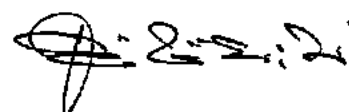
| | |
|--|---------|
| Leasehold improvement | 5 years |
| Furniture, fixtures and office equipment | 5 years |
| Vehicles | 5 years |

Repairs and maintenance are charged as expenses to the statement of comprehensive income during the accounting period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the useful life of the related asset.

The Company will review for impairment of assets whenever events of changes in circumstances indicating that the carrying amount of an asset may not be recoverable. Whenever the carrying amounts of an asset exceed its recoverable amount, an impairment loss is recognized in the statement of comprehensive income immediately.




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3.10 Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs.

For goodwill in a business acquisition, it is a benefit which the Company expects to receive from being transferred of the marketing officers including customer accounts resulting from business transfer from Merchant Partners Securities Public Company Limited, Country Group Securities Public Company Limited and AEC Securities Public Company Limited.

Goodwill is stated at cost less allowance for impairment. The Company will perform impairment reviews of the goodwill by considering from transferred marketing officers' performance annually and recognize its loss on impairment when the recoverable amount of the goodwill is less than its carrying amount.

3.11 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line method from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

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

The Company's TFEX membership fee is stated at cost.

The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

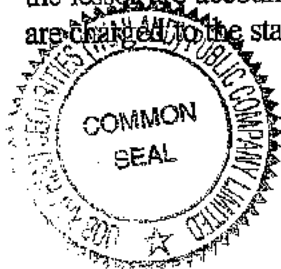
3.12 Securities business payables and Derivatives business payables

Securities business payables and Derivatives business payables are the obligations of the Company in respect of its securities business and derivatives business with outside parties.

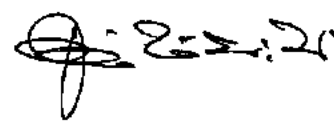
3.13 Long-term lease

Operating Lease

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




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3.14 Employee benefit obligations

Employee benefit obligations are calculated under the Thai Labor Protection Act by an independent actuary at the end of reporting period using the Projected Unit Credit Method, which is estimate of 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.

The expenses for the unfunded defined benefit plan are recognized as personnel expenses in the statement of comprehensive income.

3.15 Provisions

The Company recognizes provision as liabilities in the financial statements when the amount of the liability can be reliably estimated and are commitments when it is likely that losses of resources which are of economic benefit to the Company will result from settlement of such commitments.

The Company reverses the provision when it is no longer probable that losses of resources which are of economic benefit to the Company will result from settlement of commitments presented in the statement of comprehensive income.

3.16 Provident fund

The contribution for employee provident fund is recorded as expense when incurred.

3.17 Foreign currency transactions

Transactions denominated in foreign currencies incurred during the year are converted into Baht at the rates of exchange at transaction dates and monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are converted into Baht at the reference exchange rates established by the Bank of Thailand on that date. Gains or losses on foreign exchange arising on settlements and conversion are recognized as income or expense in statement of comprehensive income.

3.18 Income tax expense

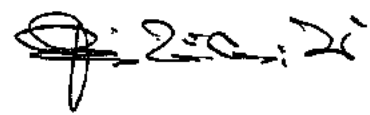
Income tax expense (income) represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the financial statements date.




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Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized 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 by the end of each reporting period. Deferred tax asset shall be reduced to the extent that utilized taxable profits 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends 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.

Income tax expense or income related to profit or loss are presented in the statement of comprehensive income and net presented with items recognized directly in shareholders' equity in other comprehensive income.

3.19 Basic earnings per share

Basic earnings per share are determined by dividing net earnings for the period by the weighted average number of ordinary shares held by outside parties outstanding during the period. In case of a capital increase, the number of shares is weighted according to time of subscription received.

3.20 Financial instruments

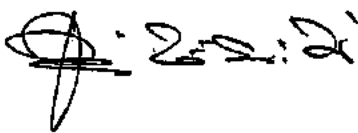
The Company entered into forward foreign exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rate.

Gains (losses) on forward foreign exchange contracts designated as hedges of existing assets and liabilities are recognized as income or expense in the statement of comprehensive income.

Financial instruments carried in the statement of financial position include cash and cash equivalents, receivables from Clearing House and broker - dealers, Securities business receivables and Derivative business receivables, investments, payables to Clearing House and broker - dealer, Securities business payables and Derivative business payables. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.




Mr. Chalpat Narkmontanakum


Mr. Yothin Virivenawat

3.21 Use of management's judgments and key sources of estimation uncertainty

3.21.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

(1) Deferred tax assets

The Company recognizes deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. The Company's management uses judgements based upon the likely timing and level of estimate future taxable profits to determine the amount of deferred tax assets that can be recognized.

(2) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

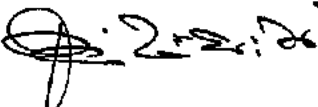
The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company's considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 19.

3.21.2 Key sources of estimation uncertainty

The Company have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.




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(1) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The Company will perform impairment reviews of the goodwill by considering from transferred marketing officers' performance annually and recognize its loss on impairment when the recoverable amount of the goodwill is less than its carrying amount.

The carrying amount of goodwill at December 31, 2018 was Baht 352.35 million (2017: Baht 342.64 million) after an impairment loss of Baht 25.12 million was recognized during 2018 (2017: Baht 7.24 million). Details of the impairment loss calculation are set out in Note 12.

(2) Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engage third party qualified valuers to perform the valuation.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 36.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Non-cash items are as follows:

4.1 Equipment payables are as follows:

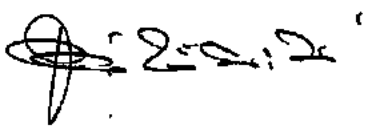
| | As at December 31, | |
|---|--------------------|--------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Beginning balances of equipment payables | - | - |
| Add Purchase of equipment | 27,766,857 | 22,448,325 |
| Less Cash payment for purchase of equipment | (27,766,857) | (22,448,325) |
| Ending balances of equipment payables | - | - |

4.2 Intangible asset payables are as follows:

| | As at December 31, | |
|---|--------------------|-------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Beginning balances of intangible asset payables | - | - |
| Add Purchase of intangible assets | 6,884,879 | 3,406,908 |
| Less Cash payment for purchase of intangible assets | (6,884,879) | (3,406,908) |
| Ending balances of intangible asset payables | - | - |




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4.3 Transactions increased from the business transferred (see Note 1) are as follows:

| | As at December 31, | |
|--|--------------------|------|
| | 2018 | 2017 |
| | Baht | Baht |
| Securities business receivables and derivatives business receivables | 118,817,130 | - |
| Premises improvement and equipment | 26,355,810 | - |
| Intangible assets | 177,519 | - |
| Goodwill | 34,819,999 | - |
| Employee benefit obligations | 7,661,825 | - |

5. CASH AND CASH EQUIVALENTS

| | As at December 31, | |
|--|------------------------|------------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Cash, current and savings deposits accounts and promissory notes with maturities not over 3 months | 3,670,385,692 | 2,343,915,026 |
| <u>Less</u> Deposits for customers' account* | <u>(2,723,526,742)</u> | <u>(2,124,304,925)</u> |
| Total cash and cash equivalents | <u>946,858,950</u> | <u>219,610,101</u> |

* Deposit accounts for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.

6. DEPOSITS AT FINANCIAL INSTITUTIONS

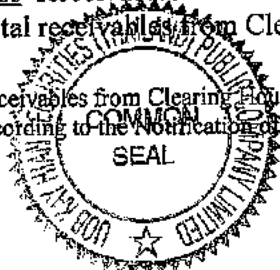
| | As at December 31, | |
|---|----------------------|----------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Deposits at financial institutions over 3 months but less than 1 year | 800,000,000 | 900,000,000 |
| <u>Less</u> Deposits for customers' account* | <u>(800,000,000)</u> | <u>(900,000,000)</u> |
| Total deposits at financial institutions | <u>-</u> | <u>-</u> |

* Deposit accounts for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.

7. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

| | As at December 31, | |
|--|---------------------|----------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Receivables from Thailand Clearing House | 759,980,827 | 100,805,279 |
| Receivables from foreign securities company (see Note 33) | 8,574,615 | 1,519,865 |
| <u>Less</u> Receivables from Clearing House for the customers* | <u>(46,310,039)</u> | <u>(100,805,279)</u> |
| Total receivables from Clearing House and broker - dealers | <u>722,245,403</u> | <u>1,519,865</u> |

* Receivables from Clearing House for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.



Chai Pat Narkmontanakum
Mr. Chaipat Narkmontanakum

Yothin Viriyenawat
Mr. Yothin Viriyenawat

8. SECURITIES BUSINESS RECEIVABLES AND DERIVATIVES BUSINESS RECEIVABLES

| | As at December 31, | |
|---|--------------------|---------------|
| | 2018 | 2017 |
| | Baht | Baht |
| <u>Securities business receivables</u> | | |
| Customer accounts - cash | 1,211,810,148 | 2,766,715,978 |
| Customer accounts - credit balance | 1,728,016,649 | 2,560,887,551 |
| Other receivables | 6,837,836 | 6,813,836 |
| Total securities business receivables | 2,946,664,633 | 5,334,417,365 |
| <u>Add</u> Accrued interest receivables | 8,150,569 | 12,086,754 |
| <u>Less</u> Allowance for doubtful accounts (see Note 9) | (6,837,836) | (6,813,836) |
| Total securities business receivables and Derivatives business receivables | 2,947,977,366 | 5,339,690,283 |

As at December 31, 2018 and 2017, the Company has ceased to recognize interest income from securities business receivables amounting to Baht 6.84 million and Baht 6.81 million, respectively.

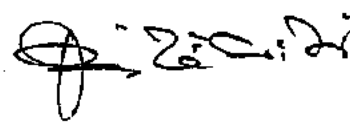
The Company has classified Securities business receivables and Derivatives business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission as follows:

| | As at December 31, 2018 | | |
|----------------|--|--|-------------------------------------|
| Classification | Receivable Balance (including accrued interest) Baht | Allowance for doubtful accounts set up by the Company Baht | Receivable balance - net Baht |
| Normal debts | 2,947,977,366 | - | 2,947,977,366 |
| Doubtful debts | 6,837,836 | (6,837,836) | - |
| Total | 2,954,815,202 | (6,837,836) | 2,947,977,366 |

| | As at December 31, 2017 | | |
|----------------|--|--|-------------------------------------|
| Classification | Receivable Balance (including accrued interest) Baht | Allowance for doubtful accounts set up by the Company Baht | Receivable balance - net Baht |
| Normal debts | 5,339,690,283 | - | 5,339,690,283 |
| Doubtful debts | 6,813,836 | (6,813,836) | - |
| Total | 5,346,504,119 | (6,813,836) | 5,339,690,283 |




Mr. Chaipat Narkmontanakum


Mr. Yothin Viriyenawat

9. ALLOWANCE FOR DOUBTFUL ACCOUNTS

| | As at December 31, | |
|------------------------------------|--------------------|------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| At beginning of the year | 6,813,836 | 8,468,416 |
| Add Doubtful accounts | 88,463 | - |
| Less Reversal of doubtful accounts | (64,463) | (1,654,580) |
| At end of the year (see Note 8) | <u>6,837,836</u> | <u>6,813,836</u> |

10. INVESTMENTS

| | As at December 31, 2018 | | As at December 31, 2017 | |
|---|------------------------------------|--------------------|------------------------------------|--------------------|
| | Cost/ amortized cost Baht | Fair value Baht | Cost/ amortized cost Baht | Fair value Baht |
| Trading securities | | | | |
| Debt securities | | | | |
| Debt securities of private sector | 271,601,178 | 269,045,677 | 155,862,480 | 154,892,743 |
| Less Valuation adjustment | (2,555,501) | - | (969,737) | - |
| Net trading securities | <u>269,045,677</u> | <u>269,045,677</u> | <u>154,892,743</u> | <u>154,892,743</u> |
| Held to maturity investments | | | | |
| Held to maturity securities | | | | |
| Government bond | 470,000,000 | | - | |
| Less Accumulated amortization | (2,358,482) | | | |
| Less Held to maturity investments for customers' account* | (467,641,518) | | - | |
| Net held to maturity investments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| General investments | | | | |
| Equity securities | | | | |
| Ordinary shares | 4,289,872 | | 4,033,072 | |
| Net general investments | <u>4,289,872</u> | | <u>4,033,072</u> | |
| Total investments | <u>273,335,549</u> | | <u>158,925,815</u> | |

* Held to maturity investments accounts for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Securities and Exchange Commission.



Chaipat Narkmontanakum
Mr. Chaipat Narkmontanakum

Yothin Viriyenawat
Mr. Yothin Viriyenawat

11. PREMISES IMPROVEMENT AND EQUIPMENT

| | For the year ended December 31, 2018 | | | | | |
|--|--------------------------------------|---|--------------|-------------|-----------------------------------|--|
| | Balances as at January 1, 2018 | Increase from business transferred (see Note 1) | Increase | Decrease | Transfer in/ (Transfer out) | Balances as at December 31, 2018 |
| | Baht | Baht | Baht | Baht | Baht | Baht |
| Cost | | | | | | |
| Leasehold improvement | 89,900,852 | 23,305,646 | 296,859 | (408,260) | 3,526,834 | 116,621,931 |
| Furniture, fixtures and office equipment | 187,726,191 | 3,050,164 | 5,733,205 | (4,257,890) | 19,739,751 | 211,991,421 |
| Vehicles | 31,453,796 | - | 839,000 | (729,001) | - | 31,563,795 |
| Total cost | 309,080,839 | 26,355,810 | 6,869,064 | (5,395,151) | 23,266,585 | 360,177,147 |
| Accumulated depreciation | | | | | | |
| Leasehold improvement | (62,907,730) | - | (9,180,201) | 185,285 | - | (71,902,646) |
| Furniture, fixtures and office equipment | (119,524,305) | - | (21,651,797) | 4,253,571 | - | (136,922,531) |
| Vehicles | (21,444,478) | - | (3,729,285) | 728,999 | - | (24,444,764) |
| Total accumulated depreciation | (203,876,513) | - | (34,561,283) | 5,167,855 | - | (233,269,941) |
| Leasehold improvement and office equipment under installation | 3,783,728 | - | 20,897,793 | - | (23,266,585) | 1,414,936 |
| Total premises improvement and equipment | 108,988,054 | | | | | 128,322,142 |

| | For the year ended December 31, 2017 | | | | |
|--|--------------------------------------|---------------------|---------------------|--------------------------------|--|
| | Balances as at January 1, 2017 | Increase | Decrease | Transfer in/ (Transfer out) | Balances as at December 31, 2017 |
| | Baht | Baht | Baht | Baht | Baht |
| Cost | | | | | |
| Leasehold improvement | 82,758,801 | 1,564,192 | (306,645) | 5,884,504 | 89,900,852 |
| Furniture, fixtures and office equipment | 187,571,439 | 3,751,550 | (6,750,633) | 3,153,835 | 187,726,191 |
| Vehicles | 31,323,454 | 5,650,000 | (5,519,658) | - | 31,453,796 |
| Total cost | 301,653,694 | 10,965,742 | (12,576,936) | 9,038,339 | 309,080,839 |
| Accumulated depreciation | | | | | |
| Leasehold improvement | (53,413,815) | (9,685,314) | 191,399 | - | (62,907,730) |
| Furniture, fixtures and office equipment | (105,817,851) | (20,405,951) | 6,699,497 | - | (119,524,305) |
| Vehicles | (21,424,619) | (4,958,694) | 4,938,835 | - | (21,444,478) |
| Total accumulated depreciation | (180,656,285) | (35,049,959) | 11,829,731 | - | (203,876,513) |
| Leasehold improvement and office equipment under installation | 1,339,484 | 11,482,583 | - | (9,038,339) | 3,783,728 |
| Total premises improvement and equipment | 122,336,893 | | | | 108,988,054 |

Depreciation for the years ended December 31,
2018

Baht 34,561,283

2017

Baht 35,049,959



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Mr. Yothin Viriyenawat

12. GOODWILL

| | For the year December 31, 2018 | | | | Balances as at December 31, 2018 |
|-------------------------------|-----------------------------------|--|--------------|----------|-------------------------------------|
| | Balances as at January 1, 2018 | Increase from business transferred (see Note 1) | Increase | Decrease | |
| | Baht | Baht | Baht | Baht | Baht |
| Goodwill | 407,897,452 | 34,819,999 | - | - | 442,717,451 |
| Less Allowance for impairment | (65,255,231) | - | (25,116,325) | - | (90,371,556) |
| Total | 342,642,221 | 34,819,999 | (25,116,325) | - | 352,345,895 |

| | For the year December 31, 2017 | | | | Balances as at December 31, 2017 |
|-------------------------------|-----------------------------------|-------------|----------|---|-------------------------------------|
| | Balances as at January 1, 2017 | Increase | Decrease | | |
| | Baht | Baht | Baht | | Baht |
| Goodwill | 407,897,452 | - | - | - | 407,897,452 |
| Less Allowance for impairment | (58,020,000) | (7,235,231) | - | - | (65,255,231) |
| Total | 349,877,452 | (7,235,231) | - | - | 342,642,221 |

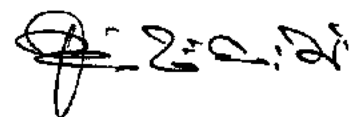
During the year of 2018 and 2017, the management of the Company considered to record loss on impairment of goodwill and recognized as expense into the statement of comprehensive income for the year ended December 31, 2018 and 2017 of Baht 25.12 million and Baht 7.24 million, respectively, because some marketing officers who were transferred from Merchant Partners Securities Public Company Limited, Country Group Securities Public Company Limited resigned from being employee of the Company.

13. INTANGIBLE ASSETS

| | Remaining useful lives | For the year December 31, 2018 | | | | | | Balances at Decemb 31, 2018 |
|---|---------------------------|--------------------------------------|---|-----------|----------|--------------------------------|--------------|--------------------------------------|
| | | Balances as at January 1, 2018 | Increase from business transferred (see Note 1) | Increase | Decrease | Transfer in/ Transfer (out) | Amortization | |
| | | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
| Computer software | 1 - 5 years | 25,332,827 | 177,519 | 798,432 | - | 7,175,278 | (7,784,282) | 25,699,77 |
| TFEX membership fee | | 5,000,000 | - | - | - | - | - | 5,000,00 |
| Computer software under installation | | 3,763,700 | - | 6,086,447 | - | (7,175,278) | - | 2,674,86 |
| Total | | 34,096,527 | 177,519 | 6,884,879 | - | - | (7,784,282) | 33,374,64 |




Mr. Chaipat Narkmontanakum


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| | | For the year December 31, 2017 | | | | | |
|--------------------------------------|------------------------|--------------------------------|-----------|----------|-----------------------------|--------------|----------------------------------|
| | Remaining useful lives | Balances as at January 1, 2017 | Increase | Decrease | Transfer in/ Transfer (out) | Amortization | Balances as at December 31, 2017 |
| | | Baht | Baht | Baht | Baht | Baht | Baht |
| Computer software | 1 - 5 years | 24,709,339 | 910,453 | - | 6,571,979 | (6,858,944) | 25,332,827 |
| TFEX membership fee | | 5,000,000 | - | - | - | - | 5,000,000 |
| Computer software under installation | | 7,839,224 | 2,496,455 | - | (6,571,979) | - | 3,763,700 |
| Total | | 37,548,563 | 3,406,908 | - | - | (6,858,944) | 34,096,527 |

Amortization for the years ended December 31,

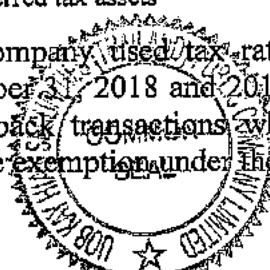
| | | |
|------|------|-----------|
| 2018 | Baht | 7,784,282 |
| 2017 | Baht | 6,858,944 |

14. DEFERRED TAX ASSETS

| | As at December 31, 2017 | Items as recognized in profit or loss revenue (expense) | Items as recognized in other comprehensive income | As at December 31, 2018 |
|---------------------------------|-------------------------|---|---|-------------------------|
| | Baht | Baht | Baht | Baht |
| Deferred tax assets | | | | |
| Employee benefit obligations | 16,578,494 | 3,252,506 | (2,402,994) | 17,428,006 |
| Provision for litigation | 9,092,660 | (9,092,660) | - | - |
| | 25,671,154 | (5,840,154) | (2,402,994) | 17,428,006 |
| Deferred tax liabilities | | | | |
| Amortized goodwill | (10,551,186) | (3,176,200) | - | (13,727,386) |
| Amortized TFEX membership fee | (920,766) | (79,234) | - | (1,000,000) |
| | (11,471,952) | (3,255,434) | - | (14,727,386) |
| Deferred tax assets | 14,199,202 | (9,095,588) | (2,402,994) | 2,700,620 |

| | As at December 31, 2016 | Items as recognized in profit or loss revenue (expense) | As at December 31, 2017 |
|---------------------------------|-------------------------|---|-------------------------|
| | Baht | Baht | Baht |
| Deferred tax assets | | | |
| Employee benefit obligations | 14,142,040 | 2,436,454 | 16,578,494 |
| Provision for litigation | 9,092,660 | - | 9,092,660 |
| | 23,234,700 | 2,436,454 | 25,671,154 |
| Deferred tax liabilities | | | |
| Amortized goodwill | (3,838,834) | (6,712,352) | (10,551,186) |
| Amortized TFEX membership fee | (820,696) | (100,070) | (920,766) |
| | (4,659,530) | (6,812,422) | (11,471,952) |
| Deferred tax assets | 18,575,170 | (4,375,968) | 14,199,202 |

The Company used tax rate of 20% for income tax calculation for the years ended December 31, 2018 and 2017. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.



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15. OTHER ASSETS

| | As at December 31, | |
|--|---------------------------|--------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Indemnity compensation fund in net settlement system | 81,577,031 | 73,554,260 |
| Deposits | 29,890,054 | 32,191,980 |
| Account receivables of financial advisory | 12,097,374 | 8,024,877 |
| Prepaid expenses | 6,978,161 | 8,269,664 |
| Accrued income | 6,052,506 | 4,083,387 |
| Others | 379,480 | 608,362 |
| Total | 136,974,606 | 126,732,530 |

16. BORROWING FROM FINANCIAL INSTITUTIONS

As at December 31, 2018 and 2017, the Company had no borrowing from financial institutions. However, the Company had bank overdrafts facility and loans which have no collateral from local banks as follows:

| | Interest rate | As at December 31, | |
|------------------------------------|---------------------------|---------------------------|----------------------|
| | | 2018 | 2017 |
| | | Baht | Baht |
| Credit line of bank overdrafts | MOR* | 110,000,000 | 110,000,000 |
| Credit line of loans | Based on market condition | 1,950,000,000 | 1,650,000,000 |
| Credit lines of Effect Not Clear** | 0.5% per annum | 530,000,000 | 530,000,000 |
| | | 2,590,000,000 | 2,290,000,000 |

* MOR is interest rate of Overdraft Facilities for Corporate Customer in Good Standing.

** Effect not clear means the service that the bank would pass the account owner's cheque before knowing the clearing result of the cheque which the account owner had deposited.

17. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

| | As at December 31, | |
|--|---------------------------|--------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Payables to Thailand Clearing House | 412,435,515 | 675,548,395 |
| Total Payables to Clearing House and broker-dealers | 412,435,515 | 675,548,395 |

18. SECURITIES BUSINESS PAYABLES AND DERIVATIVES BUSINESS PAYABLES

| | As at December 31, | |
|---|---------------------------|----------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Securities business payables | | |
| Customer accounts | 1,501,140,461 | 2,100,583,884 |
| Total Securities business payables and | | |
| Derivatives business payables | 1,501,140,461 | 2,100,583,884 |



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Mr. Chaipat Narkmontanakum

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Mr. Yothin Virivenawat

19. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates post-employment benefit plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans.

Expenditures recognized in the statement of comprehensive income in respect of the defined benefit plans are as follows:

| | For the years ended December 31, | |
|--|-------------------------------------|-------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Current service costs | 12,747,270 | 11,345,953 |
| Interest costs | 1,801,536 | 1,516,015 |
| Gains on remeasurements of defined benefit plans | (12,014,972) | - |
| Total | <u>2,533,834</u> | <u>12,861,968</u> |

Movements in the present value of the defined benefit obligation are as follows:

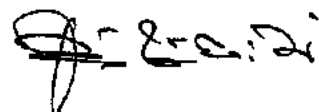
| | For the years ended December 31, | |
|---|-------------------------------------|-------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Beginning balances of defined benefit obligation of the year | 82,892,470 | 70,710,202 |
| Current service cost | 12,747,270 | 11,345,953 |
| Interest cost | 1,801,536 | 1,516,015 |
| Employee benefit obligations transferred from AEC (see Note 1) | 7,661,825 | - |
| Benefit paid during the year | (5,948,100) | (679,700) |
| Gains on remeasurements of defined benefit plans from: | | |
| - Experience adjustment | (8,064,153) | - |
| - Demographic assumption changes | 6,425,760 | - |
| - Financial assumption changes | (10,376,579) | - |
| Ending balance of defined benefit obligation of the year | <u>87,140,029</u> | <u>82,892,470</u> |

The principle actuarial assumptions used to calculate the obligation under the defined post-employment benefit plans are as follows:

| | As at December 31, | |
|-----------------------------------|---------------------------------|---------------------------------|
| | 2018 | 2017 |
| Financial assumptions | | |
| Discount rates | 2.47% | 2.22% |
| Expected rates of salary increase | 3.00% | 4.00% |
| Retirement ages | 60 years | 60 years |
| Turnover rates | 0% - 21% | 0% - 26% |
| | Subject to range of employee | Subject to range of employee |




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Significant Actuarial Assumptions - Impact on increase / (decrease) in Defined Benefit Obligation are as follows:

| As at December 31, 2018 | | | | |
|-------------------------|------------------------|---------------------------------|------------------------|---------------------------------|
| | Increase in assumption | Amount change in liability Baht | Decrease in assumption | Amount change in liability Baht |
| Discount rate | + 1% | (6,848,378) | - 1% | 7,767,604 |
| Salary growth rate | + 1% | 7,480,159 | - 1% | (6,726,925) |
| Turnover rate | + 1% | (7,252,811) | - 1% | 4,347,366 |
| Life expectancy | + 1 Year | 409,630 | - 1 Year | (407,328) |

| As at December 31, 2017 | | | | |
|-------------------------|------------------------|---------------------------------|------------------------|---------------------------------|
| | Increase in assumption | Amount change in liability Baht | Decrease in assumption | Amount change in liability Baht |
| Discount rate | + 1% | (7,102,253) | - 1% | 8,140,362 |
| Salary growth rate | + 1% | 8,546,277 | - 1% | (7,566,734) |
| Turnover rate | + 1% | (7,639,483) | - 1% | 4,945,526 |
| Life expectancy | + 1 Year | 633,227 | - 1 Year | (627,790) |

20. OTHER LIABILITIES

| | As at December 31, | |
|---|--------------------|-------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Accrued remuneration of employees | 31,126,682 | 47,950,987 |
| Other payable - related companies (see Note 33) | 3,593,572 | 3,179,800 |
| Accrued withholding tax and specific business tax payable | 5,804,245 | 5,767,478 |
| Value-added tax payable | 1,344,650 | 4,404,290 |
| Accrued expenses | 16,665,296 | 15,454,699 |
| Others | 14,637,146 | 13,785,430 |
| Total | <u>73,171,591</u> | <u>90,542,684</u> |

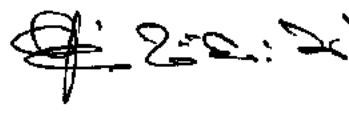
21. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. The legal reserve could not be used for dividend payment.

As at December 31, 2018 and 2017, the Company's statutory equals to 10% of registered share capital.




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22. DIVIDENDS

On April 27, 2018, the Annual General Meeting for Shareholders No. 1/2018 approved dividend payment for fiscal year 2017 from operating results for the year ended December 31, 2017 of Baht 0.09 per share, totaling Baht 45.22 million to the shareholders whose names were listed on the book closing date for the right to receive the dividend on March 12, 2018. The Company paid such dividend to the shareholders on May 25, 2018.

On April 21, 2017, the Annual General Meeting for Shareholders No. 1/2017 approved dividend payment for fiscal year 2016 from operating results for the year ended December 31, 2016 of Baht 0.10 per share, totaling Baht 50.24 million to the shareholders whose names were listed on the book closing date for the right to receive the dividend on March 13, 2017. The Company paid such dividend to the shareholders on May 19, 2017.

23. CAPITAL MANAGEMENT

The objective of the Company in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company has a policy to pay dividend at least 20% of net profit after deducting legal reserve. The payment is subject to the resolution of the shareholders' meeting.

24. BROKERAGE FEES

| | For the years ended December 31, | |
|---|-------------------------------------|--------------------|
| | 2018 Baht | 2017 Baht |
| Brokerage fees from securities business | 733,193,330 | 799,189,177 |
| Brokerage fees from derivatives business | 45,012,527 | 38,944,821 |
| Brokerage fees from selling agent of unit trust | 2,650,074 | 4,675,186 |
| Total | <u>780,855,931</u> | <u>842,809,184</u> |

25. FEES AND SERVICE INCOME

| | For the years ended December 31, | |
|---------------------|-------------------------------------|-------------------|
| | 2018 Baht | 2017 Baht |
| Underwriting fee | 378,500 | 13,398,898 |
| Investment advisory | 2,378,959 | 9,498,650 |
| Financial advisory | 41,859,960 | 46,224,669 |
| Total | <u>44,617,419</u> | <u>69,122,217</u> |



Mr. Chaipat Narkmontanakum

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Mr. Yothin Viriyenawat

Mr. Yothin Viriyenawat

26. GAINS AND RETURN ON FINANCIAL INSTRUMENTS

| | For the years ended December 31, | |
|-------------------------------|---|-------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Gains on securities | 41,576,043 | 35,558,378 |
| Gains (losses) on derivatives | 75,866 | (4,985) |
| Interest and dividend income | 53,898,711 | 48,074,196 |
| Total | <u>95,550,620</u> | <u>83,627,589</u> |

27. PROVIDENT FUND

The Company have established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, the employees of the Company must contribute 3% or 5% or 10% or 15% of their basic salaries, and the Company must contribute 5%. The Company have appointed a registered provident fund manager to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended December 31, 2018 and 2017, the Company and contributed to the provident fund and recorded as expenses amounting to Baht 13,754,179 and Baht 13,826,407, respectively.

28. COMPENSATIONS PAID TO KEY MANAGEMENT PERSONNEL

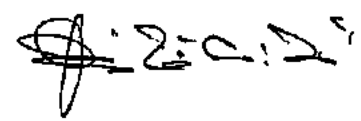
Compensations paid to key management personnel expenses represent cash remuneration as salaries, bonus and provident fund paid to the managements of the Company in accordance with the Notification of the Capital Market and Supervisory Board No. Tor Jor. 24/2552 dated July 20, 2009 regarding "Prescription of Prohibited Characteristics of Issuing Company's Director and Executive".

For the years ended December 31, 2018 and 2017, compensations paid to key management personnel are as follows:

| | For the years ended December 31, | |
|--|---|--------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Compensations paid to key management personnel | | |
| Short-term employee benefits | 135,600,967 | 134,257,184 |
| Post-employment benefits | 7,602,670 | 6,737,407 |
| Total | <u>143,203,637</u> | <u>140,994,591</u> |




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29. DIRECTOR FEE

Directors' remuneration represents the benefits (exclusive of salaries, bonus and related benefits payable executive directors) paid to the directors of the Company in accordance with Section 90 of the Public Limited Companies Act.

For the years ended December 31, 2018 and 2017, director's remuneration are as follows:

| | For the years ended December 31, | |
|-------------------------|-------------------------------------|--------------|
| | 2018 Baht | 2017 Baht |
| Director's remuneration | 455,000 | 490,000 |

30. OTHER EXPENSES

| | For the years ended December 31, | |
|--------------------------------------|-------------------------------------|--------------------|
| | 2018 Baht | 2017 Baht |
| Premises and equipment expenses | 178,961,168 | 185,161,400 |
| Fee expenses under service agreement | 14,021,280 | 14,402,300 |
| Loss on impairment of goodwill | 25,116,325 | 7,235,231 |
| Other expenses | 83,513,438 | 90,377,163 |
| Total | <u>301,612,211</u> | <u>297,176,094</u> |

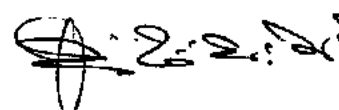
31. INCOME TAX

For the years ended December 31, 2018 and 2017, income tax expenses consisted of the following:

| | For the years ended December 31, | |
|---|-------------------------------------|-------------------|
| | 2018 Baht | 2017 Baht |
| Current income taxes: | | |
| Income taxes for the years | 30,821,223 | 49,106,478 |
| Deferred income taxes: | | |
| Deferred income taxes relating to origination and reversal of temporary differences | 9,095,588 | 4,375,968 |
| Income tax expenses | <u>39,916,811</u> | <u>53,482,446</u> |




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Reconciliation between income tax expenses and the product of accounting profits for the years ended December 31, 2018 and 2017 and applicable tax rates can be shown as follows:

| | For the years end December 31, | |
|---|-----------------------------------|--------------|
| | 2018 Baht | 2017 Baht |
| Accounting profit before income tax | 210,647,530 | 269,480,824 |
| Applicable tax rates | 20.00% | 20.00% |
| Accounting profits before income tax multiplied by applicable tax rates | 42,129,506 | 53,896,165 |
| Add Tax effect of income and expenses that are not exempt for tax purposes | 2,812,177 | 4,391,503 |
| (Less) Tax effect of income and expenses that are exempt for tax purposes | (5,024,872) | (4,805,222) |
| Income tax expenses | 39,916,811 | 53,482,446 |
| Effective tax rates | 18.95% | 19.85% |

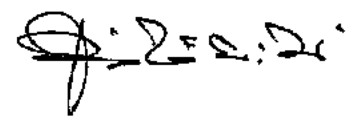
The Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2018 and 2017. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

32. COMMITMENT AND CONTINGENT LIABILITIES

32.1 Pursuant to the purchase of the shares in United Securities Public Company Limited ("United") by the Company on May 24, 2011, the Company entered into a Definitive Agreement with the former major shareholder of United which contained a provision that any benefits received by United from the demutualization of the Stock Exchange of Thailand ("SET") shall be distributed to the former shareholders who tendered their shares during the voluntary tender offer ("former shareholders"). However, under the Definitive Agreement where it is unlikely that the SET will be demutualized by August 26, 2013 (the last date of commitment), the Company would, to the extent permitted by law transfer the SET membership to a third party who would be procured or approved by the former major shareholder and until the SET membership is not transferred, the Company would not directly or indirectly sell, transfer or dispose of any or all of United shares that the Company purchased from the tender offer during the 2-year period. As long as the SET membership remained with United, any sale within the 2 year-period would be for the benefit of the former shareholders of United who tendered their United shares during the voluntary tender offer. The Company has entered into the Share Purchase Agreement to sell the shares in United in March 2013 and made conditions in the Sales Purchase Agreement with the purchaser that any benefits to be received from the demutualization shall be distributed to the former shareholders and if the SET is not demutualized, the SET membership shall be transferred to a third party who would be nominated or approved by the former major shareholder.




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Mr. Yothin Viriyenawat

In spite of the steps taken above to have those conditions, on June 17, 2013, the Company was sued by a former shareholder of United Securities Public Company Limited ("United"), seeking compensation of Baht 300 million for the breach of the Definitive Agreement. Subsequently, on June 25, 2013, such former shareholder of United additionally sued the Company to revoke the Share Purchase Agreement between the Company and the purchaser, and to prohibit the transfer of SET Membership to the Company. Subsequently, on October 22, 2014, the case was dismissed by the judge. The plaintiff appealed this decision to the Appeal Court. On September 16, 2015, the Court of Appeal dismissed the plaintiff's appeal. Finally, On December 4, 2018, the Supreme Court rendered appeal judgement to uphold the judgement of the Court of Appeal (i.e., to dismiss the plaintiff's claim entirely). The Court's judgement is final resolution.

32.2 On March 26, 2013, the Company entered into the Share Purchase Agreement to sell United Securities Public Company Limited ("United"). The Company, as a seller, had agreed to indemnify the purchaser for any legal proceedings initiated against United before the Share Purchase Agreement date. Pursuant to this indemnity, the Company had made a provision of Baht 45.46 million for a litigation brought against United by a client. Although the First Instance Court had judged that United was liable for the claim by the plaintiff, this was on United's appeal dismissed by the Appeal Court. The plaintiff then brought the case up to the Supreme Court. In 2018, the Supreme Court overthrew the plaintiff's appeal. Following the decision of the Supreme Court and the written confirmation from AEC Securities Public Company Limited (formerly known as United Securities Public Company Limited), the legal case is considered close with no liability to the Company. As a result, the Company has reversed provisions for litigation of Baht 45.46 million in the statements of comprehensive income for the year ended December 31, 2018.

32.3 Forward foreign exchange contracts

As at December 31, 2018 and 2017, the Company entered into forward foreign exchange contracts consisted of the following:

As at December 31, 2018


Forward foreign exchange contracts - Sell

| Currency | Amount | Maturity date | Principal contract amount Baht | Gain (loss) on fair value Baht |
|----------|---------|-----------------|-----------------------------------|-----------------------------------|
| USD | 120,121 | January 2, 2019 | 3,885,921 | (11,984) |
| USD | 655,850 | January 3, 2019 | 21,282,339 | 131 |
| USD | 655,333 | January 3, 2019 | 21,298,334 | - |

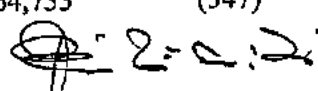
As at December 31, 2017

Forward foreign exchange contracts - Bought

| Currency | Amount | Maturity date | Principal contract amount Baht | Loss on fair value Baht |
|----------|--------|-----------------|-----------------------------------|----------------------------|
| USD | 11,144 | January 4, 2018 | 364,733 | (547) |



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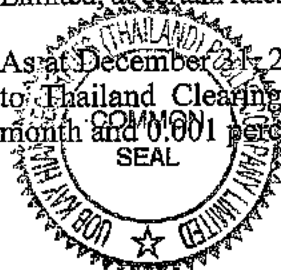
- 32.4 The Company has non-cancellable lease agreements for office premises and vehicles for period of 1 - 3 years. The agreements shall be renewable every 1 - 3 years with the rental fee rates as specified in such agreements. The Company does not have options to purchase the leased assets at the expiry of lease period. These agreements will be expired during January 2019 to December 2021.

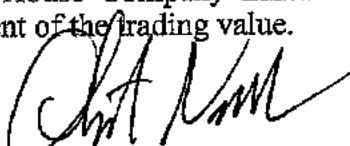
As at December 31, 2018 and 2017, the Company is required to pay the rental and related service fees under lease agreements for the rental building and vehicles as follows:

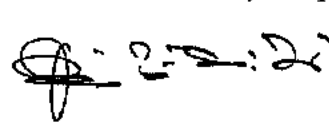
| Type | Unit : Baht | | | |
|----------|---------------------------|--------------------|-------------------------|--------------------|
| | Remaining rental expenses | | | |
| | As at December 31, 2018 | | As at December 31, 2017 | |
| | Within 1 year | Within 2 - 5 years | Within 1 year | Within 2 - 5 years |
| Building | 53,626,457 | 20,313,386 | 74,054,705 | 47,821,565 |
| Vehicle | - | - | 453,500 | - |

For the years ended December 31, 2018 and 2017, the Company recorded expense according to the long-term operating lease agreements in the statements of comprehensive income of Baht 75.36 million and Baht 79.69 million, respectively.

- 32.5 As at December 31, 2018 and 2017, the Company is required to pay a membership fee to the Stock Exchange of Thailand on a monthly basis of Baht 50,000 and at the rate of 0.005 percent of the trading value.
- 32.6 As at December 31, 2018 and 2017, the Company has a commitment under an on-line trading service agreement to pay Settrade.com Co., Ltd. whereby the Company is charged a fee at the rate of 0.002% - 0.040% of its trading volume and at rate of Baht 0.20 - 45.00 per derivative contract with the minimum payment being Baht 80,000 per month.
- 32.7 As at December 31, 2018 and 2017, the Company is required to pay annual membership fee to the Thailand Futures Exchange Public Limited Company ("TFEX") of Baht 500,000 and an annual fee to Thailand Clearing House Co., Ltd. ("TCH") of Baht 300,000 and has obligations to pay fees for derivative trading and settlement transactions based on specific rates by the TFEX and TCH, respectively.
- 32.8 As at December 31, 2018 and 2017, the Company is required to pay fees to the Office of the Securities and Exchange Commission ("SEC") for its business operations as licensed whereby the fees are charged based on its trading volume and its revenue from fee and service income, with a minimum fee for each business type as in Notification of SEC No. Kor Thor/Khor/Dor/Nor. 16/2553 dated December 1, 2010.
- 32.9 As at December 31, 2018 and 2017, the Company is required to pay contributions to the Compensation Fund for Clearing and Settlement, which is overseen by Thailand Securities Depository Company Limited and the Compensation Fund for derivatives clearing and settlement, which is overseen by the Thailand Clearing House Company Limited, at certain rates of its net settlements each month.
- 32.10 As at December 31, 2018 and 2017, the Company is required to pay a clearing fee to Thailand Clearing House Company Limited at the rate of Baht 15,000 per month and 0.001 percent of the trading value.




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- 32.11 As at December 31, 2018 and 2017, the Company is required to pay fee expenses under the service agreement to a related company to assist the Company in business development to support the Company's operation. The fee will be paid as specified in such agreement.
- 32.12 As at December 31, 2018 and 2017, the Company is required to pay service fee to the Thailand Securities Depository Company Limited for rendering securities depository system services at the rates according to each type of services.

33. RELATED PARTY TRANSACTIONS

Related persons or entities of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

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

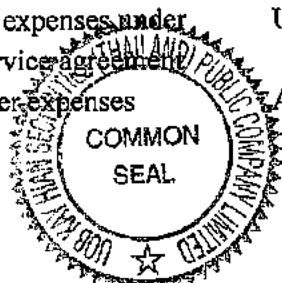
The Company has a major shareholder namely UOB-Kay Hian Holdings Limited incorporated in Singapore.


The names of the related companies are as follows:

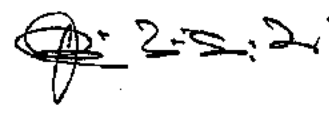
| Name | Relationship | Business type |
|--|--|--------------------|
| UOB-Kay Hian Holdings Limited | Major shareholder | Investment holding |
| UOB Kay Hian Private Limited | Same group company | Securities |
| UOB Kay Hian (Hong Kong) Limited | Same group company | Securities |
| United Overseas Bank (Thai) Public Company Limited | The related company with the major shareholder | Banking |
| UOB Asset Management (Thailand) Company Limited | The related company with the major shareholder | Asset management |

Pricing policies for particular types of transactions are explained further below:

| Transactions | Pricing policies |
|--------------------------------------|--|
| Brokerage income | At price according to an agreement on rates of fees made with the customers but not exceeding 1 percent of trading value |
| Interest income | At agreed price which approximates market value |
| Other income | At agreed price which approximates market value |
| Fee expenses | Under service agreement which is in normal business operations |
| Commission fees | At agreed price which approximates market value |
| Fee expenses under service agreement | Under service agreement which is in normal business operation |
| Other expenses | At the actual amount payments |




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Significant balances with related parties were as follows:

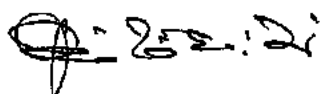
| | As at December 31, | |
|---|--------------------|----------------------|
| | 2018 | 2017 |
| | Baht | Baht |
| Cash and cash equivalents* | | |
| United Overseas Bank (Thai) Public Company Limited | 842,136,437 | 337,954,403 |
| Company's deposits on behalf of customers | | |
| UOB Kay Hian Private Limited | 187,417,919 | 270,833,044 |
| UOB Kay Hian (Hong Kong) Limited | 711,937,239 | 754,492,455 |
| | <u>899,355,158</u> | <u>1,025,325,499</u> |
| Receivables from foreign securities company | | |
| UOB Kay Hian Private Limited | 8,574,615 | 1,519,865 |
| Securities business receivables and Derivatives business receivables | | |
| UOB Kay Hian Private Limited | 43,294,903 | 19,704,754 |
| UOB Kay Hian (Hong Kong) Limited | 4,295,825 | 23,680,214 |
| | <u>47,590,728</u> | <u>43,384,968</u> |
| Interest receivables | | |
| United Overseas Bank (Thai) Public Company Limited | 69,050 | 18,375 |
| Securities business payables and Derivatives business payables | | |
| UOB Kay Hian Private Limited | - | 134,882,287 |
| UOB Kay Hian (Hong Kong) Limited | 559,470 | 31,656,218 |
| | <u>559,470</u> | <u>166,538,505</u> |
| Other payables | | |
| UOB Kay Hian Private Limited | 3,510,412 | 3,139,800 |
| UOB Kay Hian (Hong Kong) Limited | 83,160 | 40,000 |
| | <u>3,593,572</u> | <u>3,179,800</u> |

* Cash and cash equivalents also include deposits for customers' accounts

UOB-Kay Hian Holdings Limited agreed to provide in the limit of USD 20 million or approximately Baht 652 million. The repayment period is due within 1 year and no interest will be charged in the event of credit facility from UOB-Kay Hian Holdings Limited's internal source of fund. The interest will be charged at cost of fund of UOB-Kay Hian Holdings Limited in the event that UOB-Kay Hian Holdings Limited has to borrow from external sources to fund the needs of the Company. However, during the years ended December 31, 2018 and 2017, the Company did not have any drawdown from such credit facility.




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Significant transactions with related parties are as follows:

| | For the years ended December 31, | |
|--|-------------------------------------|-------------------|
| | 2018 Baht | 2017 Baht |
| Brokerage income | | |
| UOB Kay Hian Private Limited | 4,436,281 | 4,121,583 |
| UOB Kay Hian (Hong Kong) Limited | 5,661,269 | 5,732,102 |
| UOB Asset Management (Thailand) Company Limited | 18,258,126 | 24,418,160 |
| | <u>28,355,676</u> | <u>34,271,845</u> |
| Interest income | | |
| United Overseas Bank (Thai) Public Company Limited | 14,543,167 | 6,768,084 |
| Other income | | |
| UOB Asset Management (Thailand) Company Limited | 123,893 | 92,952 |
| Fee expense | | |
| United Overseas Bank (Thai) Public Company Limited | 360,613 | 435,818 |
| Commission fees | | |
| UOB Kay Hian Private Limited | 22,499 | 62,656 |
| Personnel expenses - Insurance premium | | |
| UOB-Kay Hian Holdings Limited | 5,133,524 | 4,592,374 |
| Fee expenses under service agreement | | |
| UOB Kay Hian Private Limited | 14,021,280 | 14,402,300 |
| Dividend payment | | |
| UOB-Kay Hian Holdings Limited | 31,950,000 | 35,500,000 |
| UOB Kay Hian Private Limited | 6,790,116 | 6,970,873 |
| UOB Kay Hian (Hong Kong) Limited | 287,550 | 319,500 |
| | <u>39,027,666</u> | <u>42,790,373</u> |
| Other expenses | | |
| UOB Kay Hian Private Limited | 5,013,810 | 5,521,177 |
| UOB Kay Hian (Hong Kong) Limited | 1,135,077 | 487,017 |
| | <u>6,148,887</u> | <u>6,008,194</u> |



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Yothin Virivenawat

Mr. Yothin Virivenawat

34. RISKS MANAGEMENT

34.1 Liquidity risk

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 32/2560 and Kor Thor. 33/2560 regarding "Principle for Maintaining Capital Adequacy", the Company shall have adequate capital at the end of the day at least Baht 15 million and at least 7% of general liability.

The Company has been granted a securities business license in the form of derivatives agent in accordance with the law of derivatives agent. The Company has to maintain net liquid capital at the end of the day at least Baht 25 million and at least 7% of general liability and assets which will be placed as collateral except in case the Company discontinues operation of derivatives agent and informs the Securities and Exchange Commission, after which the Company has to maintain net liquid capital following the requirement in the first paragraph above.

Additionally, in accordance with the Regulation of Thailand Clearing House Co., Ltd. ("TCH") Chapter 300 "Ordinary Members" regarding the "Qualification of Membership", the Ordinary Membership is required to have shareholders' equity at least Baht 100 million for membership operating only derivative business.

As at December 31, 2018 and 2017, the Company has net liquid capital ratio higher than the requirement of the Office of the Securities and Exchange Commission and has shareholders' equity higher than the requirement of TCH.

The periods of time from the statements of financial position dates to the maturity dates of financial instruments as at December 31, 2018 and 2017, are as follows:

| Unit : Million Baht | | | | | | |
|---|---------|------------------|-----------|-----------------|----------------|-----------------------------------|
| Outstanding balances of financial instruments | | | | | | |
| As at December 31, 2018 | | | | | | |
| | At call | Within 1 year | 1-5 years | Over 5 years | No maturity | Non- performing receivables |
| Financial assets | | | | | | |
| Cash and cash equivalents | 946.9 | - | - | - | - | - |
| Receivables from Clearing House and broker - dealers | - | 722.2 | - | - | - | - |
| Securities business receivables and Derivatives business receivables | - | 1,211.8 | - | - | 1,736.2 | - |
| Investments | - | 269.0 | - | - | 4.3 | - |
| Financial liabilities | | | | | | |
| Payables to Clearing House and broker - dealer | - | 412.4 | - | - | - | - |
| Securities business payables and Derivatives business payables | - | 1,501.1 | - | - | - | - |



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Unit : Million Baht

| Outstanding balances of financial instruments | | | | | | |
|---|---------|------------------|-----------|-----------------|----------------|-----------------------------------|
| As at December 31, 2017 | | | | | | |
| | At call | Within 1 year | 1-5 years | Over 5 years | No maturity | Non- performing receivables |
| Financial assets | | | | | | |
| Cash and cash equivalents | 219.6 | - | - | - | - | - |
| Receivables from Clearing House and broker - dealers | - | 1.5 | - | - | - | - |
| Securities business receivables and Derivatives business receivables | - | 2,766.7 | - | - | 2,573.0 | - |
| Investments | - | 154.9 | - | - | 4.0 | - |
| Financial liabilities | | | | | | |
| Payables to Clearing House and broker - dealer | - | 675.5 | - | - | - | - |
| Securities business payables and Derivatives business payables | - | 2,100.6 | - | - | - | - |

34.2 Financial instruments risk

The Company has no policy for speculation in or engaging in the trading of any derivative financial instruments.

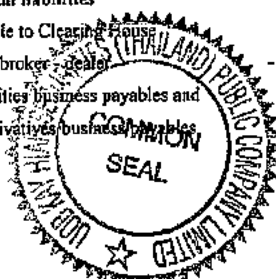
34.2.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

Outstanding significant financial assets and liabilities as at December 31, 2018 and 2017 which may be affected by fluctuation of market interest rates are as follows:

Unit : Million Baht

| As at December 31, 2018 | | | | | | | | |
|---|------------------|------------------|-----------|-----------------|-----------------------------------|----------------|---------|--|
| Outstanding balances of net financial instruments | | | | | | | | |
| Reprising or maturity dates | | | | | | | | |
| | Floating rate | Within 1 year | 1-5 years | Over 5 years | Non- performing receivables | No interest | Total | Interest rate (%) Floating rate Fixed rate |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | 893.9 | - | - | - | - | 53.0 | 946.9 | 0.10 - 1.80 |
| Receivables from Clearing House and broker - dealers | - | - | - | - | - | 722.2 | 722.2 | - |
| Securities business receivables and Derivatives business receivables | - | 1,736.2 | - | - | - | 1,211.8 | 2,948.0 | 5.40 - 15.00 |
| Investments | - | 269.0 | - | - | - | 4.3 | 273.3 | 2.15 - 2.90 |
| Financial liabilities | | | | | | | | |
| Payable to Clearing House and broker - dealer | - | - | - | - | - | 412.4 | 412.4 | - |
| Securities business payables and Derivatives business payables | - | - | - | - | - | 1,501.1 | 1,501.1 | - |



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Unit : Million Baht

| As at December 31, 2017 | | | | | | | | | |
|---|------------------|------------------|-----------|-----------------|-----------------------------------|----------------|---------|-------------------|---------------|
| Outstanding balances of net financial instruments | | | | | | | | | |
| Reprising or maturity dates | | | | | | | | | |
| | Floating rate | Within 1 year | 1-5 years | Over 5 years | Non- performing receivables | No interest | Total | Interest rate (%) | |
| | | | | | | | | Floating rate | Fixed rate |
| Financial assets | | | | | | | | | |
| Cash and cash equivalents | 195.3 | - | - | - | - | 24.3 | 219.6 | 0.10 - 1.55 | - |
| Receivables from Clearing House and broker - dealers | - | - | - | - | - | 1.5 | 1.5 | - | - |
| Securities business receivables and Derivatives business receivables | - | 2,573.0 | - | - | - | 2,766.7 | 5,339.7 | - | 5.40 - 15.00 |
| Investments | - | 154.9 | - | - | - | 4.0 | 158.9 | - | 2.00 - 2.75 |
| Financial liabilities | | | | | | | | | |
| Payable to Clearing House and broker - dealer | - | - | - | - | - | 675.5 | 675.5 | - | - |
| Securities business payables and Derivatives business payables | - | - | - | - | - | 2,100.6 | 2,100.6 | - | - |

34.2.2 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfil an obligation causing the Company to incur a financial loss. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statement of financial position.

34.2.3 Foreign Currency risk

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

As at December 31, 2018 and 2017, the Company has not entered into forward foreign exchange contracts to hedge foreign exchange risk associated with certain securities business receivables and payables (see Note 32.3).

34.2.4 Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Considerable judgment of the Company's management is necessarily required in the estimation of fair value disclosed in Notes to the financial statements. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in the current market exchange. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value. The following methods and assumptions are used by the Company in estimating fair value of financial instruments.



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The approximate fair values of most financial assets and financial liabilities are based on the amounts recognized in the statement of financial position as they are short-term and non-interest sensitive except for the approximate fair values of investments. For investments in trading and available-for-sale securities, fair values are based on quoted market price. For general investments in non-listed equity securities, fair values are estimated from net cost after allowance for impairment (if any).

As at December 31, 2018 and 2017, the fair values of financial assets and financial liabilities are not significant different from carrying amount.

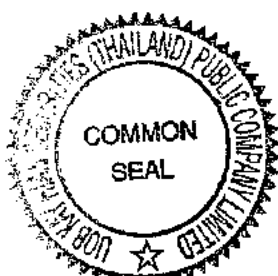
35. FINANCIAL INFORMATION BY SEGMENT

The Company operates in 3 major segments consisting of 1) Securities and derivatives business 2) Financial advisory business and 3) Investing business and the major geographic area is in Thailand. Financial information by segment of the Company for years ended December 31, 2018 and 2017 are as follows:

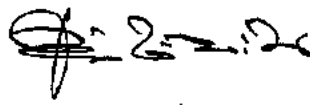
Unit : Baht

| | For the years ended December 31, | | | | | | | |
|--|-------------------------------------|-------------|-----------------------------|------------|--------------------|------------|---------------|---------------|
| | Securities and derivatives business | | Financial advisory business | | Investing business | | Total | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Brokerage fees | 778,205,857 | 839,793,902 | - | - | 2,650,074 | 3,015,282 | 780,855,931 | 842,809,184 |
| Fee and service income | - | - | 23,139,815 | 31,873,120 | 21,477,604 | 37,249,097 | 44,617,419 | 69,122,217 |
| Interest on margin loans | 106,644,084 | 144,669,027 | - | - | - | - | 106,644,084 | 144,669,027 |
| Gains (losses) and return on financial instruments | (948,480) | (1,091,374) | - | - | 49,570,890 | 42,554,036 | 48,622,410 | 41,462,662 |
| Other income | 10,810,382 | 8,870,261 | 83,757 | 62,229 | 58 | 10,258 | 10,894,197 | 8,942,748 |
| Profit from operations by segment | 304,966,610 | 382,451,965 | 13,017,937 | 17,827,967 | 29,676,281 | 35,331,560 | 347,660,828 | 435,611,492 |
| <u>Unallocated income and expenses</u> | | | | | | | | |
| Gain and return on financial instruments | | | | | | | 46,928,210 | 42,164,927 |
| Other income | | | | | | | 5,174,062 | 4,512,256 |
| Reversal of provisions for litigation | | | | | | | 45,463,298 | - |
| Other operating expenses | | | | | | | (234,578,868) | (212,807,851) |
| Profit before income tax | | | | | | | 210,647,530 | 269,480,824 |
| Income tax expenses | | | | | | | (39,916,811) | (53,482,446) |
| Profit for the year | | | | | | | 170,730,719 | 215,998,378 |

| Assets by segment | As at December 31, | | | | |
|-------------------|-------------------------------------|-----------------------------|--------------------|--------------------|---------------|
| | Securities and derivatives business | Financial advisory business | Investing business | Unallocated assets | Total |
| | Baht | Baht | Baht | Baht | Baht |
| 2018 | 3,792,669,750 | 11,754,476 | 270,086,210 | 1,469,624,738 | 5,544,135,174 |
| 2017 | 5,433,710,400 | 7,171,191 | 157,102,826 | 748,420,181 | 6,346,404,598 |




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36. FAIR VALUE MEASUREMENTS

36.1 Financial instruments measured at fair value

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

| | Fair value As at December 31, | | Fair value hierarchy | Valuation techniques and key inputs |
|-----------------------------------|----------------------------------|-------------|-------------------------|--|
| | 2018 | 2017 | | |
| | Baht | Baht | | |
| <u>Financial assets</u> | | | | |
| Investments | | | | |
| Debt securities of private sector | 269,045,677 | 154,892,743 | Level 2 | Discounted cash flow. Future cash flows are estimated based on contractual terms, discounted at rates based upon market-related rates for similar financial instruments as at the end of reporting period. |

36.2 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 December 31, 2018 | | Fair value hierarchy |
|--|-------------------------|---------------|----------------------|
| | Carrying Amount | Fair Value | |
| | Baht | Baht | |
| <u>Financial assets</u> | | | |
| Receivables from Clearing House and broker - dealers | 722,245,403 | 722,245,403 | Level 3 |
| Securities business receivables and Derivatives business receivables | 2,947,977,366 | 2,947,977,366 | Level 3 |
| Investments - General investments | 4,289,872 | 4,289,872 | Level 3 |
| <u>Financial liabilities</u> | | | |
| Payable to Clearing House and broker - dealer | 412,435,515 | 412,435,515 | Level 3 |
| Securities business payables and Derivatives business payables | 1,501,140,461 | 1,501,140,461 | Level 3 |
| | As at December 31, 2017 | | Fair value hierarchy |
| | Carrying Amount | Fair Value | |
| | Baht | Baht | |
| <u>Financial assets</u> | | | |
| Receivables from Clearing House and broker - dealers | 1,519,865 | 1,519,865 | Level 3 |
| Securities business receivables and Derivatives business receivables | 5,339,690,283 | 5,339,690,283 | Level 3 |
| Investments - General investments | 4,033,072 | 4,033,072 | Level 3 |
| <u>Financial liabilities</u> | | | |
| Payable to Clearing House and broker - dealer | 675,548,395 | 675,548,395 | Level 3 |
| Securities business payables and Derivatives business payables | 2,100,583,884 | 2,100,583,884 | Level 3 |

The fair values of the financial assets and financial liabilities above are considered to approximate their respective carrying value since the fair value are predominantly subject to market interest rate and mature in the short-term except general investments which use net asset value of invested company.

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Mr. Yothin Virivenawat

37. EVENT AFTER REPORTING PERIOD

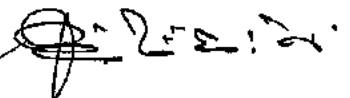
On February 22, 2019, the Board of Directors' Meeting No. 1/2019 passed resolutions to approve the dividend payment of Baht 0.07 per share totaling Baht 35.17 million from the operating results for the year ended December 31, 2018 and to propose to the 2018 Annual General Meeting of shareholders for further approval.

38. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors of the Company on February 22, 2019.




Mr. Chaipat Narkmontanakum


Mr. Yothin Viriyenawat