

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY**

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

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

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

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

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

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

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

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

The Company has subsidiaries as follows:

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

For the year ended December 31, 2017, Solaris has net loss of Baht 124.09 million and as at December 31, 2017, Solaris has accumulated loss of Baht 151.03 million and also has capital deficit amounting to Baht 25.63 million. According to the Notification of the Office of the Securities and Exchange Commission regarding “The Capital Adequacy of Management Company”, it requires the management company to maintain the capital adequacy not lower than the warning level at Baht 30 million. In case the management company cannot maintain the capital adequacy above the warning level, the management company has to report to the Office of the Securities and Exchange Commission including the plan to recover its owners’ equity to the warning level. As at December 31, 2017, Solaris has capital deficit amounting to Baht 25.63 million which is below the warning level. Therefore, on February 20, 2018, the board of directors’ meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners’ equity lower than warning level at Baht 30 million. Therefore, Solaris’s operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step (see Note 19 and 33.1).

Therefore, the subsidiary has a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

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

Therefore, reclassifications have been made in the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate statement of comprehensive income for the year ended December 31, 2016 to conform to the classifications used in the financial statement for the year ended December 31, 2017 as follows:

**Consolidated statement of financial position as at December 31, 2016**

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

**Consolidated statement of comprehensive income for the year ended December 31, 2016**

<b>Account name</b>	<b>Amount Baht</b>	<b>Previous classification</b>	<b>Current classification</b>
Gain on investments	36,581,389	Gain on investments	Gain and return on financial instruments
Interest and dividend income	20,577,914	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	8,885,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	11,293,026	Premises and equipment expenses	Other expenses
Consulting fee	10,088,997	Consulting fee	Other expenses
Communication and information expenses	2,710,629	Communication and information expenses	Other expenses

**Separate statement of financial position as at December 31, 2016**

<b>Account name</b>	<b>Amount Baht</b>	<b>Previous classification</b>	<b>Current classification</b>
Deposit at financial institutions	50,356,186	Deposit at financial institutions	Investment
Accrued expenses	14,268,110	Accrued expenses	Other liabilities

**Separate statement of comprehensive income for the year ended December 31, 2016**

<b>Account name</b>	<b>Amount Baht</b>	<b>Previous classification</b>	<b>Current classification</b>
Gain on investments	14,414,807	Gain on investments	Gain and return on financial instruments
Interest and dividend income	156,925,258	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	6,600,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	6,192,708	Premises and equipment expenses	Other expenses
Consulting fee	8,003,302	Consulting fee	Other expenses
Communication and information expenses	1,216,831	Communication and information expenses	Other expenses

- 2.3 The consolidated financial statements for the years ended December 31, 2017 and 2016 include the accounts of the Company, Solaris Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd. which the Company has a holding of 100% in their equity of both subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for the year ended December 31, 2017 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd., Scentimental (Thailand) Co., Ltd. and Absolute Yoga Co., Ltd. and The consolidated financial statement for the year ended December 31, 2016 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd. and Beacon Offshore Ltd. The Company had sold all shares in Beacon Offshore Ltd. in December 2016.

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

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

- 2.4 The preparation of financial statements in conformity with Thai Financial Reporting Standards also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

### **3. NEW THAI FINANCIAL REPORTING STANDARDS**

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

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

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's management will adopt such TFRSs in the preparation of the Company's financial statements when it becomes effective. The Group'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.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

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

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

##### 4.1 Revenue and expense recognition

###### Brokerage fees

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

###### Fees and service income

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

###### Interest on margin loans

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

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

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

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

###### Gain (loss) on trading in securities and derivatives

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

###### Interest and dividend on investments in securities

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

## Expenses

Expenses are recognized on an accrual basis.

### 4.2 Interest on borrowing

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

### 4.3 Recognition and amortization of customer deposits

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

### 4.4 Cash and cash equivalents

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

### 4.5 Investments in debt and equity securities

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

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

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

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

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

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

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

The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of unit trust is determined from its net asset value. The fair value of debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

#### 4.6 Investments in subsidiary and associated companies

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

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

#### 4.7 Receivable and payable from/to Clearing House

Net balances of receivable or payable incurred from settlement of securities trading each day through Thailand Securities Depository Co., Ltd., the securities clearing house, are presented as net balance receivable or payable from/to Clearing House in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2)”.

#### 4.8 Securities and derivatives business receivables and allowance for doubtful accounts

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

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

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

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

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

#### 4.9 Building improvement and equipment

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

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

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

#### Impairment

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

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

#### 4.10 Assets classified as held for sale

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

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

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

#### 4.11 Intangible assets

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

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

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

#### 4.12 Securities and derivatives business payables

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

#### 4.13 Long-term lease

##### 4.13.1 Operating lease

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

##### 4.13.2 Finance lease

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

#### 4.14 Employee benefits

##### 4.14.1 Provident fund

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

##### 4.14.2 Post-employment benefits

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

##### 4.14.3 Unused paid vacation leave

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

#### 4.15 Provisions

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

#### 4.16 Income tax

Income tax comprises current income tax and deferred income tax.

##### 4.16.1 Current income tax

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

##### 4.16.2 Deferred income tax

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

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

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

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

#### 4.17 Earnings (loss) per share

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

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

#### 4.18 Foreign currency translation

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

#### 4.19 Risk management and prevention

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

#### 4.20 Related parties

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

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

#### 4.21 Use of management judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards (TFRSs) requires the Company's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

#### 4.22 Fair value measurements

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

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

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

## 5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes				
with original maturity less than 3 months	342,458,733	389,320,536	324,854,543	360,930,111
<u>Less</u> Cash deposits held for customers*	<u>(12,137,303)</u>	<u>(12,954,955)</u>	<u>(12,136,303)</u>	<u>(12,261,955)</u>
Total cash and cash equivalents	<u>330,321,430</u>	<u>376,365,581</u>	<u>312,718,240</u>	<u>348,668,156</u>

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

As at December 31, 2017 and 2016, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.14 million and Baht 12.95 million, respectively, and the separate statements of financial position in amounting to Baht 12.14 million and Baht 12.26 million, respectively, which the Company must return to the customers at call.

As at December 31, 2017 and 2016, the securities business cash customers of 428 accounts and 446 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 34), have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.31 million and Baht 4.43 million, respectively, and shares with the values of Baht 152.67 million and Baht 130.06 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

## 6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

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

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2017			As at December 31, 2016		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	-	-	-	4,821,854	-	4,821,854
Substandard debts	-	-	-	-	-	-
Doubtful debts	62,654,566	(62,654,566)	-	62,654,566	(62,654,566)	-
Total	62,654,566	(62,654,566)	-	67,476,420	(62,654,566)	4,821,854

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Over 3 years	62,654,566	62,654,566
Total	<u>62,654,566</u>	<u>62,654,566</u>

## 7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Beginning balance of the period	62,654,566	58,607,306
Doubtful accounts	-	4,047,260
Ending balance of the period (see Note 6)	<u>62,654,566</u>	<u>62,654,566</u>

## 8. INVESTMENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2017		As at December 31, 2016	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - List securities	277,495,814	245,972,314	99,240,748	90,274,004
Debt securities - Corporate bond	25,309,476	27,024,289	25,373,346	26,824,556
Debt securities - Bill of exchange	693,381,940	599,810,912	696,546,890	702,906,321
Total	<u>996,187,230</u>	<u>872,807,515</u>	<u>821,160,984</u>	<u>820,004,881</u>
<u>Less</u> Revaluation adjustments	(18,379,715)	-	(1,156,103)	-
<u>Less</u> Allowance for impairment	<u>(105,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trading securities	<u>872,807,515</u>	<u>872,807,515</u>	<u>820,004,881</u>	<u>820,004,881</u>
<u>Available-for-sale securities</u>				
Equity securities - List securities	7,351,996	4,425,246	76,893,631	288,327,412
<u>Add (Less)</u> Revaluation adjustments	<u>(2,926,750)</u>	<u>-</u>	<u>211,433,781</u>	<u>-</u>
Total available-for-sale securities	<u>4,425,246</u>	<u>4,425,246</u>	<u>288,327,412</u>	<u>288,327,412</u>
<u>Held to-maturity investments</u>				
Deposits at financial institutions	23,191,912	23,191,912	73,356,186	73,356,186
Total held-to-maturity investments	<u>23,191,912</u>	<u>23,191,912</u>	<u>73,356,186</u>	<u>73,356,186</u>
<u>General investments</u>				
Ordinary shares	338,032,114	262,401,202	353,533,014	300,164,731
Preference shares	125,000	125,000	125,000	125,000
Total	<u>338,157,114</u>	<u>262,526,202</u>	<u>353,658,014</u>	<u>300,289,731</u>
<u>Less</u> Allowance for impairment	<u>(75,630,912)</u>	<u>-</u>	<u>(53,368,283)</u>	<u>-</u>
Total general investments	<u>262,526,202</u>	<u>262,526,202</u>	<u>300,289,731</u>	<u>300,289,731</u>
Total investments	<u>1,162,950,875</u>	<u>1,162,950,875</u>	<u>1,481,978,210</u>	<u>1,481,978,210</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2017		As at December 31, 2016	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - List securities	277,495,814	245,972,314	91,388,221	82,339,254
Debt securities - Corporate bond	25,309,476	27,024,289	25,373,346	26,824,556
Debt securities - Bill of exchange	651,381,940	638,866,087	646,863,367	653,130,918
Total	954,187,230	911,862,690	763,624,934	762,294,728
<u>Less</u> Revaluation adjustments	(16,692,044)	-	(1,330,206)	-
<u>Less</u> Allowance for impairment	(25,632,496)	-	-	-
Total trading securities	911,862,690	911,862,690	762,294,728	762,294,728
<u>Available-for-sale securities</u>				
Equity securities - List securities	7,351,996	4,425,246	76,893,631	288,327,412
<u>Add (Less)</u> Revaluation adjustments	(2,926,750)	-	211,433,781	-
Total available-for-sale securities	4,425,246	4,425,246	288,327,412	288,327,412
<u>Held-to-maturity investments</u>				
Deposits at financial institutions	-	-	50,356,186	50,356,186
Total Held-to-maturity investments	-	-	50,356,186	50,356,186
<u>General investments</u>				
Ordinary shares	338,032,114	262,401,202	353,533,014	300,164,731
Preference shares	125,000	125,000	125,000	125,000
Total	338,157,114	262,526,202	353,658,014	300,289,731
<u>Less</u> Allowance for impairment	(75,630,912)	-	(53,368,283)	-
Total general investments	262,526,202	262,526,202	300,289,731	300,289,731
Total investments	1,178,814,138	1,178,814,138	1,401,268,057	1,401,268,057

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

As at December 31, 2017, the subsidiary provided additional allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million in the consolidated financial statements which resulted to the Company provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million in the separate financial statements (see Note 9).

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

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>As at December 31, 2017</b>				
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Held-to-maturity investments	23,191,912	-	-	23,191,912
Total held-to-maturity investments	23,191,912	-	-	23,191,912

<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
<b>As at December 31, 2016</b>				
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Held-to-maturity investments	73,356,186	-	-	73,356,186
Total held-to-maturity investments	73,356,186	-	-	73,356,186

<b>SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at December 31, 2017</b>				
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Held-to-maturity investments	-	-	-	-
Total held-to-maturity investments	-	-	-	-

<b>SEPARATE FINANCIAL STATEMENTS</b>				
<b>As at December 31, 2016</b>				
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Held-to-maturity investments	50,356,186	-	-	50,356,186
Total held-to-maturity investments	50,356,186	-	-	50,356,186

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

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	<b>FINANCIAL STATEMENTS</b>	<b>FINANCIAL STATEMENTS</b>	<b>FINANCIAL STATEMENTS</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Beginning balance of the period	175,028,622	(6,347,606)	175,028,622	(6,347,606)
Changes during the period				
- from deferred tax adjustment	42,872,106	(45,344,056)	42,872,106	(45,344,056)
- from re-measuring of investments	(33,801,686)	226,720,284	(33,801,686)	226,720,284
- from change of investment classification	(180,558,845)	-	(180,558,845)	-
Ending balance of the period	3,540,197	175,028,622	3,540,197	175,028,622

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

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

## 9. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

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

Company name	Type of business	Type of shares invested	CONSOLIDATED FINANCIAL STATEMENTS							
			Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Associate</b>										
KT ZMICO										
Securities Co., Ltd	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,355.3	1,377.2
Scentimental (Thailand) Co., Ltd	Import Export Retail and whole sale perfume and cosmetics	Ordinary share	30.0	-	46.00	-	13.8	-	14.2	-
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	-	30.00	-	217.8	-	210.8	-
Total							<u>1,475.7</u>	<u>1,244.1</u>	<u>1,580.3</u>	<u>1,377.2</u>

SEPARATE FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
		invested	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Subsidiary</b>										
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund	Ordinary management share	125.4	125.4	100.00	100.00	173.1	173.1	(25.6)	98.8
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.00	100.00	25.0	25.0	24.5	24.5
<u>Less</u> Allowance for impairment							(173.1)	(74.3)	-	-
							25.0	123.8	(1.1)	123.3
<b>Associate</b>										
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,355.3	1,377.2
Scentimental (Thailand) Co., Ltd.	Import Export Retail and whole sale perfume and cosmetics	Ordinary share	30.0	-	46.00	-	13.8	-	14.2	-
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary share	60.00	-	30.00	-	217.8	-	210.8	-
							1,475.7	1,244.1	1,580.3	1,377.2
<b>Total</b>							<b>1,500.7</b>	<b>1,367.9</b>	<b>1,579.2</b>	<b>1,500.5</b>

In August 2017, the subsidiary sued an issuer of bill of exchange of Baht 105.00 million because the issuer cannot make repayment when the Bill of Exchange was matured, therefore the subsidiary provided allowance for impairment of trading securities - Bill of Exchange of Baht 105.00 million presented in the consolidated financial statements for the year ended December 31, 2017. For the separate financial statements, the Company provided allowance for impairment for investment in subsidiary of Baht 79.37 million and provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 25.63 million (see Note 8).

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

	<b>As at December 31, 2017 Million Baht</b>	<b>As at December 31, 2016 Million Baht</b>
Total assets	9,351.4	10,707.7
Total liabilities	(6,744.5)	(8,272.5)
Net assets	<u>2,606.9</u>	<u>2,435.2</u>
	<b>For the years ended December 31,</b>	
	<b>2017 Million Baht</b>	<b>2016 Million Baht</b>
Total revenue	1,889.2	2,046.0
Net income (loss) for the period	(30.7)	377.8
Net other comprehensive income (loss) for the period	(47.1)	(2.6)
Dividend received from an associated company	-	137.8

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

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

As at December 31, 2017 and 2016, the paid-up share capital of Solaris Asset Management Co., Ltd. which is the Company's subsidiary is Baht 125.4 million, consisting of 22,800,000 ordinary shares of Baht 5.5 per share. As at December 31, 2017 and 2016, the subsidiary's shares are held by the Company 100%.

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

## 10. BUILDING IMPROVEMENTS AND EQUIPMENT

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2017 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2017 Baht
<b>Cost</b>				
Building improvement	7,701,654	67,363	-	7,769,017
Office equipment	12,564,154	174,212	(166,080)	12,572,286
Vehicles	5,782,600	5,490,000	(3,844,600)	7,428,000
Total cost	<u>26,048,408</u>	<u>5,731,575</u>	<u>(4,010,680)</u>	<u>27,769,303</u>
<b>Accumulated depreciation</b>				
Building improvement	(5,317,684)	(1,097,041)	-	(6,414,725)
Office equipment	(10,343,042)	(1,194,764)	135,876	(11,401,930)
Vehicles	(2,417,966)	(1,396,716)	2,336,252	(1,478,430)
Total accumulated depreciation	<u>(18,078,692)</u>	<u>(3,688,521)</u>	<u>2,472,128</u>	<u>(19,295,085)</u>
<b>Total building improvements and equipment</b>	<u>7,969,716</u>			<u>8,474,218</u>
CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2016 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2016 Baht
<b>Cost</b>				
Building improvement	7,491,034	210,620	-	7,701,654
Office equipment	12,081,570	482,584	-	12,564,154
Vehicles	5,782,600	-	-	5,782,600
Total cost	<u>25,355,204</u>	<u>693,204</u>	<u>-</u>	<u>26,048,408</u>
<b>Accumulated depreciation</b>				
Building improvement	(4,189,016)	(1,128,668)	-	(5,317,684)
Office equipment	(8,812,740)	(1,530,302)	-	(10,343,042)
Vehicles	(1,261,446)	(1,156,520)	-	(2,417,966)
Total accumulated depreciation	<u>(14,263,202)</u>	<u>(3,815,490)</u>	<u>-</u>	<u>(18,078,692)</u>
<b>Total building improvements and equipment</b>	<u>11,092,002</u>			<u>7,969,716</u>
<b>Depreciation for the years ended December 31,</b>				
2017				<u>3,688,521</u>
2016				<u>3,815,490</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2017			2017
	Baht	Baht	Baht	Baht
<b>Cost</b>				
Building improvement	4,796,572	67,363	-	4,863,935
Office equipment	2,085,383	95,212	(166,080)	2,014,515
Vehicles	5,782,600	5,490,000	(3,844,600)	7,428,000
Total cost	<u>12,664,555</u>	<u>5,652,575</u>	<u>(4,010,680)</u>	<u>14,306,450</u>
<b>Accumulated depreciation</b>				
Building improvement	(2,617,737)	(971,340)	-	(3,589,077)
Office equipment	(1,745,820)	(154,091)	135,876	(1,764,035)
Vehicles	(2,417,966)	(1,396,716)	2,336,252	(1,478,430)
Total accumulated depreciation	<u>(6,781,523)</u>	<u>(2,522,147)</u>	<u>2,472,128</u>	<u>(6,831,542)</u>
<b>Total building improvements and equipment</b>	<u>5,883,032</u>			<u>7,474,908</u>

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Increase	Decrease	Balance as at
	January 1,			December 31,
	2016			2016
	Baht	Baht	Baht	Baht
<b>Cost</b>				
Building improvement	4,656,572	140,000	-	4,796,572
Office equipment	1,944,119	141,264	-	2,085,383
Vehicles	5,782,600	-	-	5,782,600
Total cost	<u>12,383,291</u>	<u>281,264</u>	<u>-</u>	<u>12,664,555</u>
<b>Accumulated depreciation</b>				
Building improvement	(1,665,627)	(952,110)	-	(2,617,737)
Office equipment	(1,409,569)	(336,251)	-	(1,745,820)
Vehicles	(1,261,446)	(1,156,520)	-	(2,417,966)
Total accumulated depreciation	<u>(4,336,642)</u>	<u>(2,444,881)</u>	<u>-</u>	<u>(6,781,523)</u>
<b>Total building improvements and equipment</b>	<u>8,046,649</u>			<u>5,883,032</u>

**Depreciation for the years ended December 31,**

2017	<u>2,522,147</u>
2016	<u>2,444,881</u>

As at December 31, 2017 and 2016, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 11.6 million and Baht 9.5 million, respectively.

For the separate financial statements as at December 31, 2017 and 2016 the Company has building improvements and equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation, of those assets amounted to Baht 1.6 million and Baht 1.1 million, respectively.

## 11. INTANGIBLE ASSETS

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2017 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2017 Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	100,000	-	-	-	100,000
Computer software	5 years	141,674	10,050	(47,493)	-	104,231
Total		4,830,167	10,050	(47,493)	-	4,792,724

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2016 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2016 Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	-	100,000	-	-	100,000
Computer software	5 years	134,992	52,250	(45,568)	-	141,674
Total		4,723,485	152,250	(45,568)	-	4,830,167

### Amortization for the years ended December 31,

2017	47,493
2016	45,568

SEPARATE FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2017 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2017 Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Computer software	5 years	1	-	-	-	1
Total		3,320,549	-	-	-	3,320,549

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

**Amortization for the years ended December 31,**

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

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

As at December 31, 2017 and 2016, for the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items, which have been fully amortized but are still in use is Baht 7.54 million. As at December 31, 2017 and 2016, for the separate financial statements, the Company has computer software items which have been fully amortized but are still in use is Baht 0.02 million.

## 12. DEFERRED INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht	As at December 31, 2017 Baht	As at December 31, 2016 Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	205,960	211,285	205,960	211,285
Allowance for impairment of investments	56,328,606	26,983,118	56,328,606	26,983,118
Employee benefit obligations	-	390,866	-	-
Unrealized loss on re-measuring trading investments	6,304,700	2,112,743	6,304,700	2,028,330
Other assets	10,357	10,357	10,357	10,357
Tax loss carried forward	-	5,754,969	-	-
Unrealized gain on transfer of business to an associated company	<u>22,733,222</u>	<u>22,744,602</u>	<u>-</u>	<u>-</u>
	<u>85,582,845</u>	<u>58,207,940</u>	<u>62,849,623</u>	<u>29,233,090</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	36,474,937	1,940,204	36,474,937	1,820,971
Unrealized gain on re-measuring available-for-sale Investments	885,049	43,757,155	885,049	43,757,155
Unrealized gain on exchange rate	-	73,050	-	73,050
Amortization of license fees	<u>664,110</u>	<u>910,905</u>	<u>664,110</u>	<u>664,110</u>
	<u>38,024,096</u>	<u>46,681,314</u>	<u>38,024,096</u>	<u>46,315,286</u>
Deferred tax assets (liabilities)	<u>47,558,749</u>	<u>11,526,626</u>	<u>24,825,527</u>	<u>(17,082,196)</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2017	profit or loss	other comprehensive	2017
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	211,285	(5,325)	-	205,960
Allowance for impairment of investments	26,983,118	29,345,488	-	56,328,606
Employee benefit obligations	390,866	(390,866)	-	-
Unrealized loss on re-measuring trading investments	2,112,743	4,191,957	-	6,304,700
Other assets	10,357	-	-	10,357
Tax loss carried forward from subsidiary	5,754,969	(5,754,969)	-	-
Unrealized gain on transfer of business to an associated company	22,744,602	(11,380)	-	22,733,222
	<u>58,207,940</u>	<u>27,374,905</u>	<u>-</u>	<u>85,582,845</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	1,940,204	34,534,733	-	36,474,937
Unrealized gain on re-measuring Available-for-sale investments	43,757,155	-	(42,872,106)	885,049
Unrealized gain on exchange rate	73,050	(73,050)	-	-
Amortization of derivative license	910,905	(246,795)	-	664,110
	<u>46,681,314</u>	<u>34,214,888</u>	<u>(42,872,106)</u>	<u>38,024,096</u>
Deferred tax assets	<u>11,526,626</u>	<u>(6,839,983)</u>	<u>42,872,106</u>	<u>47,558,749</u>

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at	Items as	Items as	As at
	January 1,	recognized in	recognized in	December 31,
	2016	profit or loss	other comprehensive	2016
	(see Note 29)	income		
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	216,610	(5,325)	-	211,285
Allowance for impairment of investments	29,512,066	(2,528,948)	-	26,983,118
Employee benefit obligations	312,996	77,870	-	390,866
Unrealized loss on re-measuring trading investments	1,678,667	434,076	-	2,112,743
Unrealized loss on re-measuring available investments	1,586,901	-	(1,586,901)	-
Other assets	10,357	-	-	10,357
Tax loss carried forward from subsidiary	14,567,337	(8,812,368)	-	5,754,969
Unrealized loss on transfer of business to an associated company	22,756,013	(11,411)	-	22,744,602
	<u>70,640,947</u>	<u>(10,846,106)</u>	<u>(1,586,901)</u>	<u>58,207,940</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	2,542,644	(602,440)	-	1,940,204
Unrealized gain on re-measuring Available-for-sale investments	-	-	43,757,155	43,757,155
Unrealized gain on exchange rate	470,490	(397,440)	-	73,050
Amortization of derivative license	848,850	62,055	-	910,905
Gain on remeasurement of defined benefit obligation	32,330	(32,330)	-	-
	<u>3,894,314</u>	<u>(970,155)</u>	<u>43,757,155</u>	<u>46,681,314</u>
Deferred tax assets	<u>66,746,633</u>	<u>(9,875,951)</u>	<u>(45,344,056)</u>	<u>11,526,626</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at December 31, 2017
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	211,285	(5,325)	-	205,960
Allowance for impairment of investments	26,983,118	29,345,488	-	56,328,606
Unrealized loss on re-measuring trading investments	2,028,330	4,276,370	-	6,304,700
Other assets	10,357	-	-	10,357
	<u>29,233,090</u>	<u>33,616,533</u>	<u>-</u>	<u>62,849,623</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	1,820,971	34,653,966	-	36,474,937
Unrealized gain on re-measuring available-for-sale investments	43,757,155	-	(42,872,106)	885,049
Unrealized gain on exchange rate	73,050	(73,050)	-	-
Amortization of derivative license	664,110	-	-	664,110
	<u>46,315,286</u>	<u>34,580,916</u>	<u>(42,872,106)</u>	<u>38,024,096</u>
Deferred tax assets (liabilities)	<u>(17,082,196)</u>	<u>(964,383)</u>	<u>42,872,106</u>	<u>24,825,527</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2016	Items as recognized in profit or loss (see Note 29)	Items as recognized in other comprehensive income	As at December 31, 2016
	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	216,610	(5,325)	-	211,285
Allowance for impairment of investments	29,512,066	(2,528,948)	-	26,983,118
Unrealized loss on re-measuring trading investments	1,599,536	428,794	-	2,028,330
Unrealized loss on re-measuring available-for-sale investments	1,586,901	-	(1,586,901)	-
Other assets	10,357	-	-	10,357
	<u>32,925,470</u>	<u>(2,105,479)</u>	<u>(1,586,901)</u>	<u>29,233,090</u>
<b>Deferred tax liabilities</b>				
Unrealized gain on re-measuring trading investments	2,537,872	(716,901)	-	1,820,971
Unrealized gain on re-measuring available-for-sale investments	-	-	43,757,155	43,757,155
Unrealized gain on exchange rate	470,490	(397,440)	-	73,050
Amortization of derivative license	632,055	32,055	-	664,110
	<u>3,640,417</u>	<u>(1,082,286)</u>	<u>43,757,155</u>	<u>46,315,286</u>
Deferred tax assets (liabilities)	<u>29,285,053</u>	<u>(1,023,193)</u>	<u>(45,344,056)</u>	<u>(17,082,196)</u>

For the years ended December 31, 2017 and 2016, the Company has unused tax losses carry forward amounting to Baht 82.76 million and Baht 89.25 million, respectively, which will be expired within 5 years.

For the year ended December 31, 2017, the subsidiary reviewed the carrying amount of deferred tax and wrote down the deferred tax assets of Baht 5.86 million because the subsidiary expects there are no sufficient future taxable profit will be available against which the temporary differences can be utilized in the future.

As at December 31, 2017 and 2016, the subsidiary has unused tax loss carry forward of Baht 58.11 million and Baht 16.49 million, respectively, which will be expired within 5 years.

### 13. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Accrued interest income	154,009	504,843	152,103	503,425
Prepaid insurance	127,418	182,381	127,418	182,381
Prepaid repair and maintenance	87,111	98,005	-	-
Prepaid SET fee	109,389	109,389	109,389	109,389
Prepaid other	319,167	313,332	94,546	89,131
Other deposits	936,001	1,130,628	589,251	783,878
Corporate income tax claim receivable	11,743,758	10,559,626	2,479,054	2,361,201
Advance payment for investment in Myanmar	48,771,900	53,488,200	48,771,900	53,488,200
Advance payment for legal fee of funds managed by subsidiary	13,440,792	-	-	-
Others	455,085	702,397	324,014	311,513
Total	<u>76,144,630</u>	<u>67,088,801</u>	<u>52,647,675</u>	<u>57,829,118</u>

### 14. OTHER BORROWINGS

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

	Interest rate per annum (%)	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			Total Baht
		As at December 31, 2017			
		Residual maturities			
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
<b><u>Other borrowings</u></b>					
Bill of exchange	3.90 - 4.00	<u>675,908,797</u>	<u>-</u>	<u>-</u>	<u>675,908,797</u>
Total other borrowings		<u>675,908,797</u>	<u>-</u>	<u>-</u>	<u>675,908,797</u>

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
As at December 31, 2016

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

## 15. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017 Baht	As at December 31, 2016 Baht	As at December 31, 2017 Baht	As at December 31, 2016 Baht
Post-employment benefits obligation	10,544,435	6,896,312	8,193,231	5,480,726
Unused paid vacation leave	1,022,857	1,008,332	487,824	469,587
	11,567,292	7,904,644	8,681,055	5,950,313

Post-employment benefits obligation

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31,		For the year ended December 31,	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current service cost	1,669,865	1,308,145	996,966	869,718
Interest cost	178,340	142,232	140,852	115,532
	1,848,205	1,450,377	1,137,818	985,250

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	6,896,312	5,445,935	5,480,726	4,495,476
Current service cost	1,669,865	1,308,145	996,966	869,718
Interest cost	178,340	142,232	140,852	115,532
Actuarial (gain) loss in statement of comprehensive income				
- from experience adjustment	714,179	-	744,577	-
- from changes in demographic assumption	588,192	-	356,476	-
- from changes in financial assumption	651,807	-	473,634	-
Employee benefit paid during the year	(154,260)	-	-	-
Ending balance of post-employment benefits obligation	<u>10,544,435</u>	<u>6,896,312</u>	<u>8,193,231</u>	<u>5,480,726</u>

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

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% per annum)	
	December 31, 2017	December 31, 2016
<b>Financial assumptions</b>		
Discount rate	1.91 - 2.20	2.57 - 2.81
Employee turnover rate	6.0 - 29.0	7.0 - 31.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	6.0	5.0 - 6.0

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Salary incremental rates - 1% increase	657,584	508,346	459,048	374,830
Salary incremental rates - 1% decrease	(607,882)	(463,731)	(426,907)	(343,227)
Life expectancy rate - 1% increase	42,581	45,450	34,353	38,030
Life expectancy rate - 1% decrease	(42,384)	(45,109)	(34,189)	(37,734)
Turnover rate - 1% increase	(635,324)	-	(443,708)	-
Turnover rate - 1% decrease	372,071	-	159,281	-
Discount rate - 1% increase	(584,735)	(440,973)	(409,890)	(325,702)
Discount rate - 1% decrease	644,915	492,699	449,401	362,587

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

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

## 16. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2017 Baht	December 31, 2016 Baht	December 31, 2017 Baht	December 31, 2016 Baht
Withholding tax payable	416,943	504,425	265,140	257,064
Value-added-tax payable	238,814	507,012	207,260	207,331
Others payable	6,432,466	6,479,366	6,159,501	6,154,918
Accrued expenses	5,607,701	20,992,268	4,975,182	14,268,110
Amounts of capital reduction and dividend not redeemed by shareholders	5,586,454	5,540,317	5,586,454	5,540,317
Liabilities under finance lease	-	16,770	-	16,770
Others	1,124,222	1,482,716	1,018,623	1,388,772
<b>Total</b>	<b>19,406,600</b>	<b>35,522,874</b>	<b>18,212,160</b>	<b>27,833,282</b>

## 17. SHARE CAPITAL

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

Net asset value

As at December 31, 2017 and 2016, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, is as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2017 Baht	December 31, 2016 Baht	December 31, 2017 Baht	December 31, 2016 Baht
Net asset value (per share)	1.80	2.05	1.82	2.04

## **18. DIVIDEND**

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

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

## **19. CAPITAL MANAGEMENT**

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

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

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

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

As at December 31, 2017, Solaris has capital deficit amounting to Baht 25.63 million. It caused an effect to the Company cannot maintain its capital adequacy in accordance with the Notification of the Office of Securities and Exchange Commission regarding "Maintaining Capital Adequacy of Management Company" that requires the management company to maintain the capital adequacy in the warning level is determined at Baht 30 million. Therefore, on February 20, 2018, the board of directors' meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners' equity lower than warning level at Baht 30 million. Therefore, Solaris's operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step (see Notes 1 and 33.1).

## **20. PREMIUM ON SHARE CAPITAL**

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

## 21. STATUTORY RESERVE

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

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

## 22. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	27,378,858	103,540,961	-	-
Total	27,378,858	103,540,961	-	-

## 23. GAIN AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Gain on investment	231,294,842	36,581,389	230,284,167	14,414,807
Interest and dividend income	17,650,104	20,577,914	16,804,943	156,925,258
Total	248,944,946	57,159,303	247,089,110	171,340,065

## 24. DIRECTORS' REMUNERATION

Directors represent the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2017 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 27, 2017 and April 17, 2017, respectively. Directors' remuneration for the year 2016 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on April 29, 2016 and April 20, 2016, respectively.

## 25. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	1,346,603	1,485,548	-	-
Referral expense	426,663	35,848,760	-	-
Others	3,621,450	5,438,807	262,551	324,291
Total	<u>5,394,716</u>	<u>42,773,115</u>	<u>262,551</u>	<u>324,291</u>

## 26. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	22,262,629	(700,855)	22,262,629	(700,855)
Impairment loss from Debt securities	105,000,000	-	25,632,496	-
Impairment loss on investment in subsidiary (reversal)	-	-	98,832,286	(11,943,901)
Impairment loss on investment in associated (reversal)	-	(51,208,115)	-	(69,986,665)
Total	<u>127,262,629</u>	<u>(51,908,970)</u>	<u>146,727,411</u>	<u>(82,631,421)</u>

## 27. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Premises and equipment expenses	11,032,056	11,293,026	6,151,693	6,192,708
Consulting fee	11,680,816	10,088,997	8,689,038	8,003,302
Communication and information expenses	3,124,174	2,710,629	1,199,833	1,216,831
Entertainment expenses	320,824	617,502	98,760	100,145
Publication and marketing expenses	669,994	617,854	97,798	38,462
Traveling expenses	984,970	926,399	692,666	612,776
SET fee	2,948,486	2,305,016	2,948,486	2,305,016
Stationery and office supply	861,926	917,824	457,291	468,213
Taxation	423,062	322,931	417,289	316,692
Loss on exchange rate	8,740,518	1,987,201	8,740,518	1,987,201
Meeting and conference	511,021	550,081	478,293	526,971
Professional fee	3,108,385	3,354,607	1,684,596	1,298,390
Others	1,922,513	3,126,651	1,122,141	1,927,871
Total	<u>46,328,745</u>	<u>38,818,718</u>	<u>32,778,402</u>	<u>24,994,578</u>

## 28. PROVIDENT FUND

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

For the years ended December 31, 2017 and 2016, the Company has contributed Baht 0.94 million and Baht 0.81 million, respectively, to the fund and the subsidiary has contributed Baht 0.87 million and Baht 0.74 million, respectively, to the fund.

## 29. CORPORATE INCOME TAX

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Income tax - expenses (see Note 12)	(6,839,983)	(9,875,951)	(964,383)	(1,023,193)
Total	(6,839,983)	(9,875,951)	(964,383)	(1,023,193)

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Income before tax	16,713,639	236,895,908	15,516,481	175,381,761
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied by the income tax rate - expenses	(3,342,728)	(47,379,182)	(3,103,296)	(35,076,352)
Tax effect of the non-deductible income and expense	24,934,002	37,282,291	998,078	29,075,818
Effect of the temporary difference not recognized as deferred tax assets	(158,155)	13,795,016	(158,155)	13,795,016
Effect of tax loss carried forward not recognized as deferred tax assets	1,298,990	(8,817,675)	1,298,990	(8,817,675)
Deferred tax relating to the deductible of temporary difference	(5,864,220)	(8,841,347)	-	-
Use of tax loss carry forward (unused tax)	(23,707,872)	4,084,946	-	-
Income tax - expenses (see Note 12)	(6,839,983)	(9,875,951)	(964,383)	(1,023,193)

### 30. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at December 31, 2017 and 2016 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>Subsidiaries</b>				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary (see Note 9)	-	-	-	98,832,285
Investment in private fund managed by subsidiary	-	57,258,259	-	57,258,259
Investment in debt securities - Bill of exchange	-	-	54,367,504	-
Accrued private fund management fee expenses	-	-	-	25,805
Lumpini Asset Management Co., Ltd.				
Investment in subsidiary (see Note 9)	-	-	25,000,000	25,000,000
<b>Associates</b>				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 9)	1,355,344,483	1,377,157,471	1,244,095,520	1,244,095,520
Cash balance for securities trading	3,194,347	9,790,951	3,194,347	9,790,951
Other receivables	-	2,500	-	2,500
Other payables	351,834	611,823	351,834	611,823
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 9)	14,160,569	-	13,800,000	-
Investment in debt securities - Bill of Exchange	52,264,684	-	52,264,684	-
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 9)	210,839,172	-	217,800,000	-
<b>Related companies</b>				
<b>Under common directors</b>				
Thanh Cong Securities Joint Stock Company				
Investment in ordinary shares - net	85,317,444	104,796,263	85,317,444	104,796,263
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	48,771,900	53,488,200	48,771,900	53,488,200
Thai Foods Group Plc.				
Investment in ordinary shares	214,633,980	281,818,320	214,633,980	281,818,320

Significant transactions with related parties for the years ended December 31, 2017 and 2016 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the years ended		For the years ended		
	December 31,		December 31,		
	2017	2016	2017	2016	
	Baht	Baht	Baht	Baht	
<b>Subsidiaries</b>					
Solaris Asset Management Co., Ltd.					
Management fee of private fund	-	-	245,281	311,358	At the rate determined under the contract 0.2% of net asset value per year
Interest received from Bill of exchange	-	-	6,157,634	-	At the rate determined under the contract
Investment in Bill of exchange	-	-	430,000,000	-	Investment value
Withdrawal from Bill of exchange	-	-	350,000,000	-	Investment value
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	264,600	176,400	At the rate determined under the contract of Baht 22,050 per month
<b>Associates</b>					
KT ZMICO Securities Co., Ltd.					
Dividend received	-	-	-	137,817,712	2016: 128,801,600 Share 1.07 baht/Share
Research fee	3,000,000	3,000,000	3,000,000	3,000,000	At the rate determined under the contract of Baht 250,000 per month (see Note 31.3)
Service expenses	4,413,750	3,630,000	4,413,750	3,630,000	At the rate determined under the contract (see Note 31.1)
Other fee expenses	2,247,477	1,166,124	2,247,477	1,166,124	At the rate determined under the contract
Beacon Offshore Ltd.					
Interest received from Bill of exchange	-	542,239	-	542,239	At the rate determined under the contract
Investment in Bill of exchange	-	35,040,026	-	35,040,026	Investment value
Withdrawal from Bill of exchange	-	52,772,402	-	52,772,402	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	2,845,938	-	2,845,938	-	At the rate determined under the contract
Investment in Bill of exchange	80,843,582	-	80,843,582	-	Investment value
Withdrawal from Bill of exchange	57,154,062	-	57,154,062	-	Investment value
<b>Related companies</b>					
<b>Under joint control</b>					
Phra Kanong Lang Co., Ltd.					
Interest income from Bill of Exchange	-	27,154,050	-	27,154,050	At the rate determined under the contract
Investment in Bill of exchange	-	490,327,781	-	490,327,781	Investment value
Withdrawal from Bill of exchange	-	969,129,334	-	969,129,334	Investment value
<b>Related with subsidiary and associate</b>					
Selling agent fee expense	737	1,692,771	737	1,692,771	At the rate determined under the contract
Service fee expenses	799,200	799,200	799,200	799,200	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	25,495	5,826	25,495	5,826	At the rate determined under the contract

For the years ended December 31, 2017 and 2016, compensations paid to key management personnel under TAS 24 (Revised 2016) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Short-term employee benefits	7,413,993	7,123,772	3,904,843	3,767,460
Post-employment benefits	835,292	729,008	687,432	610,913
Total	<u>8,249,285</u>	<u>7,852,780</u>	<u>4,592,275</u>	<u>4,378,373</u>

### 31. COMMITMENTS

#### Transactions with related parties

31.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of accounting, operating, information technology including information system development and technical support, compliance, human resource management, general support and general management. The term of agreement is one year and will be automatically extended one year by payment in amount of Baht 150,000 per month unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time. Subsequently, on June 1, 2014, the Company made the agreement to change the fee to Baht 197,500 per month from June 1, 2014 to May 31, 2015. The agreement is automatically extended on an annual basis. Subsequently, on July 3, 2017, the Company made the agreement to change the fee to be Baht 60,000 per month from July 3, 2017 to June 30, 2018. The agreement is automatically extended on an annual basis.

On June 30, 2016, the Company entered into agreement with KT ZMICO Securities Company Limited for providing management service of operating. The term of agreement is one year. The term of agreement is from July 1, 2016 to June 30, 2017. The agreement is automatically extended for three months each, unless by earlier mutual termination of which the Company pays monthly fee and the rate of Baht 210,000. Subsequently, on September 29, 2017, the Company made the agreement to change the fee to be Baht 230,000 per month from October 1, 2017 to September 30, 2018. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 7 days before the expiry date of the agreement in each time.

31.2 On October 17, 2012, the Company entered into an agreement with Solaris Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company’s fund for one year. Contract, which will be expired on October 17, 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund. However, on November 29, 2017, the Company cancelled the agreement.

- 31.3 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 31.4 On January 12, 2016, the Company entered into an agreement with KTZ Ruby Hill Securities Company Limited. Such company shall act as the investment advisory, Brokerage and Dealing to the Company for the purpose of the securities trade in both Yangon Stock Exchange or YSX and OTC market. The term of agreement is 2 years and can be extended if it is agreed by both parties. The Company agreed to pay fees at rated determined under the agreement.

Transactions with other business parties

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

	CONSOLIDATED FINANCIAL STATEMENTS		(Unit: Million Baht) SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Within 1 year	3.4	3.4	2.3	2.3
Over 1 year to 5 years	0.3	3.7	0.2	2.5
Total	<u>3.7</u>	<u>7.1</u>	<u>2.5</u>	<u>4.8</u>

## 32. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the years ended December 31, 2017 and 2016 are as follows:

	(Unit: Thousand Baht) For the year ended December 31, 2017				
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	1,584	27,379	115,082	-	144,045
Inter - segment revenues	-	-	-	-	-
Total revenues	<u>1,584</u>	<u>27,379</u>	<u>115,082</u>	<u>-</u>	<u>144,045</u>
Segment income (loss)	1,584	(22,981)	115,082	-	93,685
Unallocated income and expenses :					
Gain on transfer of business to the associated company					57
Other income					4,037
Servicing and administrative expenses					(81,065)
Income tax - expenses					<u>(6,840)</u>
Net income					<u>9,874</u>

(Unit: Thousand Baht)

For the year ended December 31, 2016					
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	187,801	103,541	109,068	-	400,410
Inter - segment revenues	-	-	-	-	-
Total revenues	<u>187,801</u>	<u>103,541</u>	<u>109,068</u>	<u>-</u>	<u>400,410</u>
Segment income	187,801	18,269	109,068	-	315,138
Unallocated income and expenses :					
Gain on transfer of business to the associated company					57
Other income					4,856
Servicing and administrative expenses					(83,155)
Income tax - expenses					<u>(9,876)</u>
Net income					<u>227,020</u>

Assets classified by segment of the Company as at December 31, 2017 and 2016 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Non-Performing Assets Management segment	Unallocated assets	Consolidated Financial statement
<b>Assets by segment</b>						
As at December 31, 2017	<u>1,355,344</u>	<u>60,067</u>	<u>1,390,129</u>	<u>24,537</u>	<u>382,039</u>	<u>3,212,116</u>
As at December 31, 2016	<u>1,381,979</u>	<u>109,191</u>	<u>1,481,978</u>	<u>24,613</u>	<u>341,318</u>	<u>3,339,079</u>

### 33. RISK MANAGEMENT

#### 33.1 Liquidity risk

##### The Company

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

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

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

However, as at December 31, 2017 and 2016, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note No.1).

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

However, as at December 31, 2017, the Company is able to maintain its net liquid capital more than the condition.

### Subsidiary

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

As at December 31, 2017, Solaris has capital deficit amounting to Baht 25.63 million, which is less than the specified warning level. Solaris has reported to the Office of the Securities and Exchange Commission (“SEC”). Therefore, on February 20, 2018, the board of directors’ meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners’ equity lower than warning level at Baht 30 million. Therefore, Solaris’s operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step (see Notes 1 and 19).

The periods of time from the end of reporting period to the maturity dates of financial instruments as of December 31, 2017 and 2016 are as follows:

(Unit: Million Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2017

**Outstanding balances of net financial instruments**

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	330	-	-	-	-	-	330
Securities business receivables	-	-	-	-	-	63	63
Investments	-	623	16	11	513	-	1,163
<b>Total</b>	<b>330</b>	<b>623</b>	<b>16</b>	<b>11</b>	<b>513</b>	<b>63</b>	<b>1,556</b>
<b>Financial liabilities</b>							
Other borrowing	-	676	-	-	-	-	676
<b>Total</b>	<b>-</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>676</b>

(Unit: Million Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2016

**Outstanding balances of net financial instruments**

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	376	-	-	-	-	-	376
Securities business receivables	-	4	-	-	-	63	67
Investments	-	776	16	11	679	-	1,482
<b>Total</b>	<b>376</b>	<b>780</b>	<b>16</b>	<b>11</b>	<b>679</b>	<b>63</b>	<b>1,925</b>
<b>Financial liabilities</b>							
Securities business payable	-	4	-	-	-	-	4
Other borrowing	-	468	-	-	-	-	468
<b>Total</b>	<b>-</b>	<b>472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>472</b>

(Unit: Million Baht)

**SEPARATE FINANCIAL STATEMENTS**  
As at December 31, 2017

**Outstanding balances of net financial instruments**

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
<b>Financial assets</b>							
Cash and cash equivalents	313	-	-	-	-	-	313
Securities business receivables	-	-	-	-	-	63	63
Investments	-	639	16	11	513	-	1,179
<b>Total</b>	<b>313</b>	<b>639</b>	<b>16</b>	<b>11</b>	<b>513</b>	<b>63</b>	<b>1,555</b>
<b>Financial liabilities</b>							
Other borrowing	-	676	-	-	-	-	676
<b>Total</b>	<b>-</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>676</b>

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December, 2016

Outstanding balances of net financial instruments

	At call	Repricing or maturity dates				Non-performing receivables	Total
		Within 1 year	1 - 5 years	Over 5 years	Not limit		
<b>Financial assets</b>							
Cash and cash equivalents	349	-	-	-	-	-	349
Securities business receivables	-	4	-	-	-	63	67
Investments - net	-	703	16	11	671	-	1,401
<b>Total</b>	<b>349</b>	<b>707</b>	<b>16</b>	<b>11</b>	<b>671</b>	<b>63</b>	<b>1,817</b>
<b>Financial liabilities</b>							
Securities business payable	-	4	-	-	-	-	4
Other borrowing	-	468	-	-	-	-	468
<b>Total</b>	<b>-</b>	<b>472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>472</b>

### 33.2 Significant financial instruments risk

As at December 31, 2017 and 2016, the Company and its subsidiary have not speculated in or engaged in trading of any off-financial position financial derivatives instruments.

#### 33.2.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiary and their cash flows:

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	Repricing or maturity dates				Non-performing receivables	No interest	Total	Interest rate (Percent)	
		Within 1 year	1-5 years	Over 5 years	Non-performing receivables				Floating rate	Fixed rate
<b>Financial assets</b>										
Cash and cash equivalents	312	-	-	-	-	-	18	330	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	623	16	11	-	513	1,163	-	1.50
<b>Total</b>	<b>312</b>	<b>-</b>	<b>623</b>	<b>16</b>	<b>11</b>	<b>63</b>	<b>531</b>	<b>1,556</b>		
<b>Financial liabilities</b>										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>676</b>		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2016

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
<b>Financial assets</b>										
Cash and cash equivalents	339	-	-	-	-	-	37	376	0.375 - 1.15	-
Securities business receivables	-	-	4	-	-	63	-	67	-	-
Investments	-	-	776	16	11	-	679	1,482	-	2.25 - 13.00
<b>Total</b>	<b>339</b>	<b>-</b>	<b>780</b>	<b>16</b>	<b>11</b>	<b>63</b>	<b>716</b>	<b>1,925</b>		
<b>Financial liabilities</b>										
Securities business payable	-	-	4	-	-	-	-	4	-	-
Other borrowing	-	-	468	-	-	-	-	468	-	3.45 - 3.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>472</b>		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
<b>Financial assets</b>										
Cash and cash equivalents	296	-	-	-	-	-	17	313	0.375 - 1.10	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	639	16	11	-	513	1,179	-	-
<b>Total</b>	<b>296</b>	<b>-</b>	<b>639</b>	<b>16</b>	<b>11</b>	<b>63</b>	<b>530</b>	<b>1,555</b>		
<b>Financial liabilities</b>										
Other borrowing	-	-	676	-	-	-	-	676	-	3.90 - 4.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>676</b>		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2016

Outstanding balances of net financial instruments

Repricing or maturity dates

	Floating interest rate	At call	Within			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
<b>Financial assets</b>										
Cash and cash equivalents	326	-	-	-	-	-	23	349	0.375 - 1.15	-
Securities business receivables	-	-	4	-	-	63	-	67	-	-
Investments	-	-	703	16	11	-	671	1,401	-	13.00
<b>Total</b>	<b>326</b>	<b>-</b>	<b>707</b>	<b>16</b>	<b>11</b>	<b>63</b>	<b>694</b>	<b>1,817</b>		
<b>Financial liabilities</b>										
Securities business payable	-	-	4	-	-	-	-	4	-	-
Other borrowing	-	-	468	-	-	-	-	468	-	3.45 - 3.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>472</b>		

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

(Unit : Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2017

Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
<b>Financial assets</b>			
Cash and cash equivalents	375,508,879	3,432,646	0.91
Investment in debt securities	802,300,389	64,151,760	8.00
Held-to-maturity investment	43,738,769	3,056,685	6.99
<b>Financial liabilities</b>			
Other borrowing	810,000,000	29,533,090	3.65

(Unit : Baht)

**CONSOLIDATED FINANCIAL STATEMENTS**  
As at December 31, 2016

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

(Unit : Baht)

**SEPARATE FINANCIAL STATEMENTS**  
As at December 31, 2017

Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
<b>Financial assets</b>			
Cash and cash equivalents	347,996,312	3,346,951	0.96
Investment in debt securities	762,766,204	63,911,838	8.38
Held-to-maturity investment	20,622,162	2,645,644	12.83
<b>Financial liabilities</b>			
Other borrowing	810,000,000	29,533,090	3.65

(Unit : Baht)

**SEPARATE FINANCIAL STATEMENTS**  
As at December 31, 2016

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

### 33.2.2 Credit risk

Credit risk is the risk that the party to a financial instrument will fail to fulfill an obligation causing the Company and its subsidiary to incur a financial loss. The financial assets of the Company and its subsidiary are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statements of financial position.

### 33.2.3 Foreign exchange risk

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

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

As at December 31, 2017, the Company had unhedged foreign currency - denominated assets as follows:

Asset	Foreign currency	Amount (Unit: thousand)	Exchange rate (Baht per foreign exchange rate) as at December 31, 2017
Ordinary shares			
EDL-GEN	Lao People's Democratic Republic LAK	8,322,693	0.0039
DBC	Vietnamese VND	6,287,378	0.0014
AMC III	United States USD	550	32.4342

### 33.2.4 Market situation risk

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

### 33.2.5 Fair value

The fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented here in is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company in estimating fair values of financial instruments.

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

**(Unit : Baht)**

<b>Financial assets/ Financial liabilities</b>	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>			<b>Valuation techniques and key inputs</b>
	<b>Fair value</b>		<b>Fair value hierarchy</b>	
	<b>December 31, 2017</b>	<b>December 31, 2016</b>		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	245,972,314	90,274,004	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Debt securities -				
Corporate bond	27,024,289	26,824,556	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities -				
Bill of exchange	599,810,912	702,906,321	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities	4,425,246	288,327,412	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

(Unit : Baht)

<b>SEPARATE FINANCIAL STATEMENTS</b>				
<b>Financial assets/ Financial liabilities</b>	<b>Fair value</b>		<b>Fair value hierarchy</b>	<b>Valuation techniques and key inputs</b>
	<b>December 31, 2017</b>	<b>December 31, 2016</b>		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	245,972,314	82,339,254	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Debt securities - Corporate bond	27,024,289	26,824,556	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities - Bill of exchange	638,866,087	653,130,918	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities	4,425,246	288,327,412	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

### 33.2.5.2 Financial instruments not measured at fair value

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

(Unit : Baht)

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

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2016			
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	376,365,581	376,365,581	3	Net present value of expected cash inflow
Securities and derivatives business receivables	4,821,854	4,821,854	3	Net present value of expected cash inflow
Held to-maturity investments	73,356,186	75,916,038	3	Net present value of expected cash inflow
General Investment Equity securities	300,289,731	300,289,731	3	Net asset value of invested company
<u>Financial liabilities</u>				
Loan from financial institutions	467,778,822	467,778,822	3	Net present value of expected cash outflow
Securities and derivatives business payables	4,125,256	4,125,256	3	Net present value of expected cash outflow

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	As at December 31, 2017			
	Carrying Amount Baht	Fair Value Baht		
<u>Financial assets</u>				
Cash and cash equivalents	312,718,240	312,718,240	3	Net present value of expected cash inflow
General Investment Equity securities	262,526,202	262,526,202	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of exchange	675,908,797	675,908,797	3	Net present value of expected cash outflow

(Unit : Baht)

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

#### 34. TRANSFER OF BUSINESS

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

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

For the years ended December 31, 2017 and 2016, the Company recognized additional gain on transfer of business to the associated company of Baht 0.06 million.

As at December 31, 2017 and 2016 the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.28 million and Baht 148.34 million, respectively.

**35. EVENT AFTER THE REPORTING PERIOD**

35.1 On February 20, 2018, the board of directors' meeting of Solaris passed a resolution to request the management to report to the Office of the Securities and Exchange Commission for the matter that the owners' equity lower than warning level at Baht 30 million. Therefore, Solaris's operation in the future will be depended on the guideline which the Office of the Securities and Exchange Commission will send a notification to Solaris in the next step.

35.2 On February 22, 2018, the Board of Directors' meeting approved the resolutions regarding the payment of dividend for the year 2017 from retained earnings at the rate of Baht 0.05 per share. The dividend will be paid on May 15, 2018. The dividend payment is subject to the Annual General Meeting of the Shareholders approval.

**36. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on February 22, 2018.