

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

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

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

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

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

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

The Company has subsidiaries as follows:

1. Innotech Asset Management Co., Ltd. (formerly Solaris Asset Management Co., Ltd.) operates its business in Thailand and has been granted permission to manage mutual fund, private fund and provident fund.
2. Lumpini Asset Management Co., Ltd. operates its business in Thailand. The main objective of the Company is to carry out the business of purchasing or taking transfer and managing of non-performing assets of financial institution which is its commercial bank, business funding or credit fancier license to revoke include related collateral for the purpose of asset management, development and disposals.
3. SE Digital Co., Ltd. operates its business in Thailand. The main objective of the Company is to conduct digital asset business as a digital asset broker and dealer, and ICO portal, authorized by related authorities.

A subsidiary has net loss of Baht 22.34 million for the year ended December 31, 2018 and as at December 31, 2018, the subsidiary has accumulated loss of Baht 172.68 million. However, as at December 31, 2018, the subsidiary can maintain its capital adequacy according to the requirement of the Office of the Securities and Exchange Commission. Currently, the subsidiary is in the process to prepare staff and Company's system work flow according to the business plan in order to reactivate its fund management business (see Note 34).

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onward, 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.

- 2.3 The consolidated financial statements for the year ended December 31, 2018 included the accounts of the Company, Innotech Asset Management Co., Ltd., Lumpini asset Managemetn Co., Ltd. and SE Digital Co., Ltd., whereas, the consolidated financial statements for the years ended December 31, 2017 included the accounts of the Company, Innotech Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd. which the Company has a holding of 100% in theirs equity of three subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated
- 2.4 The consolidated financial statements for the years ended December 31, 2018 and 2017 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd., Scentimental (Thailand) Co., Ltd. and Absolute Yoga Co., Ltd.
- 2.5 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

3. NEW THAI FINANCIAL REPORTING STANDARDS

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

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

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

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

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

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

Thai Financial Reporting Standards (“TFRS”)

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation (“TFRIC”)

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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There is the key change to the core principle of TFRS 15, which introduces a 5-step approach to revenue recognition, as follow:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied. TFRS 15 will supersede the Standards and Interpretations relating to revenue upon its effective date.

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standards (“TAS”)

TAS 28 (Revised 2018)	Investment in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

Thai Accounting Standard No.28 (Revised 2018) “Investment in Associates and Joint Ventures” clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss, and clarifies the consideration about the impairment of an investment in an associate or a joint venture. This accounting standard requires retrospective method for such amendment.

Thai Accounting Standard No.40 (Revised 2018) “Investment Property” clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) “Share-based Payment” adds the requirements, which require prospective method for the amendment as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

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

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

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Revenue and expense recognition

Brokerage fees

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

Fees and service income

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

Interest on margin loans

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

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

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

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

Gain (loss) on trading in securities and derivatives

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

Interest and dividend on investments in securities

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

Expenses

Expenses are recognized on an accrual basis.

4.2 Interest on borrowing

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

4.3 Recognition and amortization of customer deposits

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

4.4 Cash and cash equivalents

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

4.5 Investments in debt and equity securities

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

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

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

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

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

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

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

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

4.6 Investments in subsidiary and associated companies

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

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

4.7 Receivable and payable from/to Clearing House

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

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise three categories which are receivables from securities and derivatives businesses of cash accounts, loan for securities purchases and other receivables. Receivables from securities and derivatives businesses of cash accounts are the receivables that were derived from cash settlements within 2 working days and 1 working day, respectively, after the securities and derivatives purchasing date. Loans for securities purchases are accounts that debtors are granted loans for securities purchasing with collaterals at the rate which is not lower than the rate required by the Stock Exchange of Thailand. Other receivables include overdue receivables from securities and derivatives businesses of cash accounts and restructured or installment receivables.

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

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

a) Assets classified as loss are to satisfy the following criteria:

- 1) Loan balances which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written off in accordance with tax law
- 2) Loan balances which the Company has forgiven

- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
- 1) General loans, problem financial institution loans, and other loans for which the collateral value is less than the loan balance
 - 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months
 - 3) Installment loans with repayments scheduled no less frequently than every 3 months, unless there is clear evidence and a high degree of certainty that full repayment will be received
- c) Substandard debt is defined as the collateralized portion of loans which meet the criteria in b).

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

4.9 Building improvement and equipment

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

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

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

Impairment

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

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

4.10 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 and Digital token which are tested for impairment annually and whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

4.11 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.

4.12 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 reliably estimated and it is current commitment that is probable that loss of resources which are of economic benefit to the Company and its subsidiary will result from settlement of such commitments.

4.16 Income tax

Income tax comprises current income tax and deferred income tax.

4.16.1 Current income tax

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

4.16.2 Deferred income tax

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

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

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

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

4.17 Earnings (loss) per share

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

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

4.18 Foreign currency translation

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

Provisions for employee benefits

Past service cost related to plan amendment is recognized as an expense in the income statement when the plan amendment is occurred. The management of the Company and its subsidiaries judgmentally consider that an obligation arises only when the legislation is virtually certain to be enacted as drafted.

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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	364,718,370	342,458,733	300,308,119	324,854,543
<u>Less</u> Cash deposits held for customers*	<u>(12,273,050)</u>	<u>(12,137,303)</u>	<u>(12,267,733)</u>	<u>(12,136,303)</u>
Total cash and cash equivalents	<u>352,445,320</u>	<u>330,321,430</u>	<u>288,040,386</u>	<u>312,718,240</u>

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

As at December 31, 2018 and 2017, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.27 million and Baht 12.14 million, respectively, and the separate statements of financial position in amounting to Baht 12.27 million and Baht 12.14 million, respectively, which the Company must return to the customers at call.

As at December 31, 2018 and 2017, the securities business customers with outstanding balance of 439 accounts and 428 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 35), have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. Such customers have deposits for securities trading of Baht 4.44 million and Baht 4.31 million, respectively, and shares with the values of Baht 122.17 million and Baht 152.67 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Other receivables		
Receivables under litigation	62,605,839	62,654,566
Total securities business receivables	62,605,839	62,654,566
<u>Less</u> Allowance for doubtful accounts (see Note 7)	(62,605,839)	(62,654,566)
Total	-	-

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, 2018			As at December 31, 2017		
	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	-	-	-	-	-	-
Substandard debts	-	-	-	-	-	-
Doubtful debts	62,605,839	(62,605,839)	-	62,654,566	(62,654,566)	-
Total	62,605,839	(62,605,839)	-	62,654,566	(62,654,566)	-

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, 2018 Baht	As at December 31, 2017 Baht
Over 3 years	62,605,839	62,654,566
Total	62,605,839	62,654,566

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Beginning balance of the period	62,654,566	62,654,566
Doubtful accounts (reversal)	(48,727)	-
Ending balance of the period (see Note 6)	<u>62,605,839</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, 2018		As at December 31, 2017	
	Cost/ Book value Baht	Fair value Baht	Cost/ Book value Baht	Fair value Baht
<u>Trading securities</u>				
Equity securities - Listed securities	129,776,771	105,247,574	277,495,814	245,972,314
Equity securities – Unit trust	380,512	382,629	-	-
Debt securities - Corporate bond	-	-	25,309,476	27,024,289
Debt securities - Bill of exchange	334,176,059	236,112,869	693,381,940	599,810,912
Total	<u>464,333,342</u>	<u>341,743,072</u>	<u>996,187,230</u>	<u>872,807,515</u>
<u>Less</u> Revaluation adjustments	(17,590,270)	-	(18,379,715)	-
<u>Less</u> Allowance for impairment	<u>(105,000,000)</u>	-	<u>(105,000,000)</u>	-
Total trading securities	<u>341,743,072</u>	<u>341,743,072</u>	<u>872,807,515</u>	<u>872,807,515</u>
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	199,809,914	176,569,011	7,351,996	4,425,246
<u>Less</u> Revaluation adjustments	<u>(23,240,903)</u>	-	<u>(2,926,750)</u>	-
Total available-for-sale securities	<u>176,569,011</u>	<u>176,569,011</u>	<u>4,425,246</u>	<u>4,425,246</u>
<u>Held to-maturity investments</u>				
Deposits at financial institutions	<u>23,289,155</u>	<u>23,289,155</u>	<u>23,191,912</u>	<u>23,191,912</u>
Total held-to-maturity investments	<u>23,289,155</u>	<u>23,289,155</u>	<u>23,191,912</u>	<u>23,191,912</u>
<u>General investments</u>				
Ordinary shares	198,396,323	193,178,152	338,032,114	262,401,202
Preference shares	125,000	125,000	125,000	125,000
Total	<u>198,521,323</u>	<u>193,303,152</u>	<u>338,157,114</u>	<u>262,526,202</u>
<u>Less</u> Allowance for impairment	<u>(5,218,171)</u>	-	<u>(75,630,912)</u>	-
Total general investments	<u>193,303,152</u>	<u>193,303,152</u>	<u>262,526,202</u>	<u>262,526,202</u>
Total investments	<u>734,904,390</u>	<u>734,904,390</u>	<u>1,162,950,875</u>	<u>1,162,950,875</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2018		As at December 31, 2017	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - Listed securities	129,776,771	105,247,574	277,495,814	245,972,314
Equity securities – Unit trust	380,512	382,629	-	-
Debt securities - Corporate bond	-	-	25,309,476	27,024,289
Debt securities - Bill of exchange	217,935,584	224,872,394	651,381,940	638,866,087
Total	348,092,867	330,502,597	954,187,230	911,862,690
<u>Less</u> Revaluation adjustments	(17,590,270)	-	(16,692,044)	-
<u>Less</u> Allowance for impairment	-	-	(25,632,496)	-
Total trading securities	330,502,597	330,502,597	911,862,690	911,862,690
<u>Available-for-sale securities</u>				
Equity securities - Listed securities	199,809,914	176,569,011	7,351,996	4,425,246
<u>Less</u> Revaluation adjustments	(23,240,903)	-	(2,926,750)	-
Total available-for-sale securities	176,569,011	176,569,011	4,425,246	4,425,246
<u>General investments</u>				
Ordinary shares	198,396,323	193,178,152	338,032,114	262,401,202
Preference shares	125,000	125,000	125,000	125,000
Total	198,521,323	193,303,152	338,157,114	262,526,202
<u>Less</u> Allowance for impairment	(5,218,171)	-	(75,630,912)	-
Total general investments	193,303,152	193,303,152	262,526,202	262,526,202
Total investments	700,374,760	700,374,760	1,178,814,138	1,178,814,138

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

As at December 24, 2018, the Company reclassified one of its securities from trading investment to available-for-sale investments due to the company changed investment policy to held long-term investment for such investments. The reclassification was affected to loss on change investments from reclassified such investment in amount of Baht 123.12 million.

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

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

CONSOLIDATED FINANCIAL STATEMENTS				
As at December 31, 2018				
	Within 1 year	1 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht
Deposits at financial institutions	23,289,155	-	-	23,289,155
Total held-to-maturity investments	23,289,155	-	-	23,289,155

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

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

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning balance of the period	3,540,197	175,028,622	3,540,197	175,028,622
Changes during the period				
- from deferred tax adjustment	4,103,336	42,872,106	4,103,336	42,872,106
- from re-measuring of investments	(20,516,682)	(33,801,686)	(20,516,682)	(33,801,686)
- from change of investment classification	-	(180,558,845)	-	(180,558,845)
Ending balance of the period	(12,873,149)	3,540,197	(12,873,149)	3,540,197

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at December 31, 2018			As at December 31, 2017		
	Cost/ Book value	Fair value	Allowance for impairment loss	Cost/ Book value	Fair value	Allowance for impairment loss
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	7,808	962	6,846	7,808	879	6,929
	7,808	962	6,846	7,808	879	6,929

9. SHORT-TERM LOANS TO RELATED PARTIES

As at December 31, 2018, the Company has short-term loans to subsidiary amounting to Baht 19 million and accrued interest amounting to Baht 343,973 which without collateral and having interest at rate of 5% per annum. Such short-term loans will mature on July 16, 2019 amounting to Baht 9 million and on September 24, 2019 amounting to Baht 10 million, respectively (as at December 31, 2017: Nil).

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

CONSOLIDATED FINANCIAL STATEMENTS										
Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method	
			As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associates										
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	1,306.6	1,355.3
Scentimental (Thailand) Co., Ltd	Import and whole sale perfume	Export Retail								
	and cosmetics	Ordinary share	40.0	30.0	34.50	46.00	13.8	13.8	6.8	14.2
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	189.8	210.8
							<u>1,475.7</u>	<u>1,475.7</u>	<u>1,503.2</u>	<u>1,580.3</u>

SEPARATE FINANCIAL STATEMENTS											
Company name	Type of business	Type of shares invested	Paid-up capital		% of voting right		Cost method		Equity method		
			As at	As at	As at	As at	As at	As at	As at	As at	
			December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
			2018	2017	2018	2017	2018	2017	2018	2017	
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
Subsidiaries											
Innotech Asset Management Co., Ltd.	Mutual, private and provident fund management	Ordinary share	205.4	125.4	100.00	100.00	255.8	173.1	55.5	(25.6)	
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer and managing of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.00	100.00	25.0	25.0	24.2	24.5	
SE Digital Co., Ltd	Digital Assets	Ordinary share	25.0	-	100.00	-	25.0	-	23.8	-	
<u>Less</u> Allowance for impairment							(220.3)	(173.1)	-	-	
							<u>85.5</u>	<u>25.0</u>	<u>103.5</u>	<u>(1.1)</u>	
Associates											
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	1,306.6	1,355.3	
Scentimental (Thailand) Co., Ltd.	Import Export Retail and whole sale perfume and cosmetics	Ordinary share	40.0	30.0	34.50	46.00	13.8	13.8	6.8	14.2	
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary share	60.0	60.0	30.00	30.00	217.8	217.8	189.8	210.8	
							<u>1,475.7</u>	<u>1,475.7</u>	<u>1,503.2</u>	<u>1,580.3</u>	
							<u>1,561.2</u>	<u>1,500.7</u>	<u>1,606.7</u>	<u>1,579.2</u>	

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

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

	As at December 31, 2018			As at December 31, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total assets	3,311.4	146.2	3,457.6	4,403.8	162.9	4,566.7
Total liabilities	(2,171.4)	(105.7)	(2,277.1)	(3,215.1)	(95.4)	(3,310.5)
Net assets	1,140.0	40.5	1,180.5	1,188.7	67.5	1,256.2

	For the year ended December 31, 2018			For the year ended December 31, 2017		
	Million Baht			Million Baht		
	KT ZMICO Securities Co., Ltd.	Others	Total	KT ZMICO Securities Co., Ltd.	Others	Total
Total revenue	664.1	157.8	821.9	741.6	111.0	852.6
Share of profit (loss) from						
investment in associates	(21.4)	(28.4)	(49.8)	1.6	(6.6)	(5.0)
Net other comprehensive						
income (loss) for the period	(27.3)	-	(27.3)	(23.4)	-	(23.4)

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 100.00 per share, accounting for 46% of the paid-up share capital of the Company in the associated company.

On September 14, 2018, the extraordinary shareholders' meeting of the associated company has passed a special resolution to increase its share capital 100,000 shares, from 300,000 ordinary shares to 400,000 ordinary shares with the par value of Baht 100.00 per share. The Company did not purchase the additional such shares increase. As a result, the shareholding in this associated company has decreased from 46.00% to 34.50% of issued and paid-up share capital of 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 10.00 per share, accounting for 30% of the paid-up share capital of the Company in the associated company.

On March 15, 2018, the Extraordinary General Shareholders Meeting of Innotech Asset Management Co., Ltd. (formerly Solaris Asset Management Co., Ltd.) which is the Company's subsidiary passed the resolution to increase the registered capital of Baht 80.00 million from Baht 125.40 million to Baht 205.40 million with the par value of Baht 10.00 per share and will be sold to the existing shareholders at the Baht 10.35 per or Baht 82.80 million to be used as capital and to maintain the capital adequacy of Management Company according to Notification of the Office of the Securities and Exchange Commission. On April 26, 2018, the Company purchased such shares of Baht 82.80 million. The subsidiary registered the increase of its registered capital with the registrar of Partnership and Companies on April 27, 2018.

On December 11, 2018, the Extraordinary General Shareholders Meeting of Innotech Asset Management Co., Ltd. passed the resolution to increase the registered capital of Baht 20.00 million from Baht 205.40 million to Baht 225.40 million with 2,000,000 ordinary shares of Baht 10.00 per share and will be sold to the existing shareholders at the par value to be used as capital and to maintain the capital adequacy of Management Company according to Notification of the Office of the Securities and Exchange Commission. The subsidiary company already received cash for such increased share capital on December 19, 2018 and registered the increase in authorized share capital and issued and paid-up share capital with the Registrar of Partnerships and Companies on January 4, 2019. As at December 31, 2018, this amount is recorded as share subscription received in advance in the subsidiary's statements of financial position.

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

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

On August 24, 2018, the Board of Directors' meeting passed the resolution to invest in ordinary shares of SE Digital Co., Ltd. which is the Company's subsidiary company is Baht 25.00 million, consisting of 250,000 ordinary shares of Baht 100.00 per share. As at December 31, 2018, the subsidiary's shares are held by the Company 100%.

11. BUILDING IMPROVEMENTS AND EQUIPMENT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2018 Baht
Cost				
Building improvement	7,769,017	81,092	(46,295)	7,803,814
Office equipment	12,572,286	531,368	(5,158,585)	7,945,069
Vehicles	7,428,000	1,888,000	(1,938,000)	7,378,000
Total cost	<u>27,769,303</u>	<u>2,500,460</u>	<u>(7,142,880)</u>	<u>23,126,883</u>
Accumulated depreciation				
Building improvement	(6,414,725)	(994,622)	46,289	(7,363,058)
Office equipment	(11,401,930)	(753,937)	5,158,028	(6,997,839)
Vehicles	(1,478,430)	(1,478,826)	937,674	(2,019,582)
Total accumulated depreciation	<u>(19,295,085)</u>	<u>(3,227,385)</u>	<u>6,141,991</u>	<u>(16,380,479)</u>
Total building improvements and equipment	<u>8,474,218</u>			<u>6,746,404</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Balance as at January 1, 2017 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2017 Baht
Cost				
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>
Accumulated depreciation				
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>
Total building improvements and equipment	<u>7,969,716</u>			<u>8,474,218</u>
Depreciation for the year ended December 31,				
2018				<u>3,227,385</u>
2017				<u>3,688,521</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2018 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2018 Baht
Cost				
Building improvement	4,863,935	73,092	-	4,937,027
Office equipment	2,014,515	246,192	-	2,260,707
Vehicles	7,428,000	1,888,000	(1,938,000)	7,378,000
Total cost	<u>14,306,450</u>	<u>2,207,284</u>	<u>(1,938,000)</u>	<u>14,575,734</u>
Accumulated depreciation				
Building improvement	(3,589,077)	(955,400)	-	(4,544,477)
Office equipment	(1,764,035)	(149,772)	-	(1,913,807)
Vehicles	(1,478,430)	(1,478,826)	937,674	(2,019,582)
Total accumulated depreciation	<u>(6,831,542)</u>	<u>(2,583,998)</u>	<u>937,674</u>	<u>(8,477,866)</u>
Total building improvements and equipment	<u>7,474,908</u>			<u>6,097,868</u>

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2017 Baht	Increase Baht	Decrease Baht	Balance as at December 31, 2017 Baht
Cost				
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>
Accumulated depreciation				
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>
Total building improvements and equipment	<u>5,883,032</u>			<u>7,474,908</u>
Depreciation for the year ended December 31,				
2018				<u>2,583,998</u>
2017				<u>2,522,147</u>

As at December 31, 2018 and 2017, in the consolidated financial statements, there are certain building improvements and equipment items that have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 9.02 million and Baht 11.53 million, respectively.

For the separate financial statements as at December 31, 2018 and 2017, the Company has building improvements and equipment items which have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation, of those assets amounted to Baht 1.80 million and Baht 1.55 million, respectively.

12. INTANGIBLE ASSETS

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2018 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2018 Baht
Deferred license fees						
Mutual fund management	Indefinite*	803,836	-	-	-	803,836
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Private fund management	Indefinite*	464,109	-	-	-	464,109
Asset Management	Indefinite*	100,000	-	-	-	100,000
Digital Token	Indefinite**	-	66,200,000	-	-	66,200,000
Computer software	5 years	104,231	98,800	(51,524)	-	151,507
Total		4,792,724	66,298,800	(51,524)	-	71,040,000

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

Amortization for the year ended December 31,

2018	51,524
2017	47,493

SEPARATE FINANCIAL STATEMENTS						
	Useful lives	Balance as at January 1, 2018 Baht	Additions Baht	Amortization Baht	Write-off/ Transfer out Baht	Balance as at December 31, 2018 Baht
Deferred license fees						
Derivatives business	Indefinite*	3,320,548	-	-	-	3,320,548
Digital Token	Indefinite**	-	66,200,000	-	-	66,200,000
Computer software	5 years	1	-	-	-	1
Total		3,320,549	66,200,000	-	-	69,520,549

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

Amortization for the year ended December 31,

2018	-
2017	-

* 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.

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

On October 8, 2018, the Company purchased Digital Token which issued and offered by a company in United States with the amount equals to USD 2 million or Baht 66.20 million which the company expects to receive the return on the operating results of that assets under the management of such digital token.

As at December 31, 2018 and 2017, for the consolidated financial statements, the original cost before deducting accumulated amortization of computer software items, which have been fully amortized but are still in use is Baht 7.55 million. As at December 31, 2018 and 2017, for the separate financial statements, the Company has computer software items which have been fully amortized but are still in use is Baht 0.02 million.

13. DEFERRED INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Deferred tax assets				
Allowance for doubtful accounts	199,304	205,960	199,304	205,960
Allowance for impairment of investments	46,576,128	56,328,606	46,576,128	56,328,606
Unrealized loss on re-measuring trading investments	4,966,206	6,304,700	4,966,206	6,304,700
Unrealized loss on re-measuring available-for-sale investments	3,218,287	-	3,218,287	-
Other assets	10,357	10,357	10,357	10,357
Unrealized gain on transfer of business to an associated company	22,721,673	22,733,222	-	-
	<u>77,691,955</u>	<u>85,582,845</u>	<u>54,970,282</u>	<u>62,849,623</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	10,331,927	36,474,937	10,331,927	36,474,937
Unrealized gain on re-measuring available-for-sale investments	-	885,049	-	885,049
Amortization of license fees	664,110	664,110	664,110	664,110
	<u>10,996,037</u>	<u>38,024,096</u>	<u>10,996,037</u>	<u>38,024,096</u>
Deferred tax assets	<u>66,695,918</u>	<u>47,558,749</u>	<u>43,974,245</u>	<u>24,825,527</u>

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

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	205,960	(6,656)	-	199,304
Allowance for impairment of investments	56,328,606	(9,752,478)	-	46,576,128
Unrealized loss on re-measuring trading investments	6,304,700	(1,338,494)	-	4,966,206
Unrealized loss on re-measuring				
Available-for-sale investments	-	-	3,218,287	3,218,287
Other assets	10,357	-	-	10,357
Unrealized gain on transfer of business to an associated company	22,733,222	(11,549)	-	22,721,673
	<u>85,582,845</u>	<u>(11,109,177)</u>	<u>3,218,287</u>	<u>77,691,955</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	36,474,937	(26,143,010)	-	10,331,927
Unrealized gain on re-measuring				
Available-for-sale investments	885,049	-	(885,049)	-
Amortization of derivative license	664,110	-	-	664,110
	<u>38,024,096</u>	<u>(26,143,010)</u>	<u>(885,049)</u>	<u>10,996,037</u>
Deferred tax assets	<u>47,558,749</u>	<u>15,033,833</u>	<u>4,103,336</u>	<u>66,695,918</u>

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
	Baht	Baht	Baht	Baht
Deferred tax assets				
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	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>
Deferred tax liabilities				
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>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2018	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2018
	Baht	Baht	Baht	Baht
Deferred tax assets				
Allowance for doubtful accounts	205,960	(6,656)	-	199,304
Allowance for impairment of investments	56,328,606	(9,752,478)	-	46,576,128
Unrealized loss on re-measuring trading investments	6,304,700	(1,338,494)	-	4,966,206
Unrealized loss on re-measuring available-for-sale investments	-	-	3,218,287	3,218,287
Other assets	10,357	-	-	10,357
	<u>62,849,623</u>	<u>(11,097,628)</u>	<u>3,218,287</u>	<u>54,970,282</u>
Deferred tax liabilities				
Unrealized gain on re-measuring trading investments	36,474,937	(26,143,010)	-	10,331,927
Unrealized gain on re-measuring available-for-sale investments	885,049	-	(885,049)	-
Amortization of derivative license	664,110	-	-	664,110
	<u>38,024,096</u>	<u>(26,143,010)</u>	<u>(885,049)</u>	<u>10,996,037</u>
Deferred tax assets	<u>24,825,527</u>	<u>15,045,382</u>	<u>4,103,336</u>	<u>43,974,245</u>

	SEPARATE FINANCIAL STATEMENTS			
	As at January 1, 2017	Items as recognized in profit or loss (see Note 30)	Items as recognized in other comprehensive income	As at December 31, 2017
	Baht	Baht	Baht	Baht
Deferred tax assets				
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>
Deferred tax liabilities				
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>

As at December 31, 2018 and 2017, the Company has unused tax losses carry forward of Baht 170.10 million and Baht 82.76 million, respectively, which will be expired within 5 years.

As at December 31, 2018 and 2017, the subsidiary has unused tax loss carry forward of Baht 54.77 million and Baht 58.11 million, respectively, which will be expired within 5 years.

14. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Baht	Baht	Baht	Baht
Accrued interest income	75,569	154,009	72,868	152,103
Accrued dividend income	38,304	-	38,304	-
Prepaid insurance	134,900	127,418	134,900	127,418
Prepaid repair and maintenance	87,019	87,111	-	-
Prepaid SET fee	109,389	109,389	109,389	109,389
Prepaid other	152,230	319,167	137,480	94,546
Other deposits	944,035	936,001	596,550	589,251
Corporate income tax claim receivable	12,232,216	11,743,758	2,617,954	2,479,054
Advance payment for investment in Myanmar	-	48,771,900	-	48,771,900
Advance payment for legal fee of funds managed by subsidiary	14,279,980	13,440,792	-	-
Share subscription of subsidiary paid in advance	-	-	20,000,000	-
Other receivables	8,722,734	-	8,722,734	-
Others	335,058	455,085	332,092	324,014
Total	37,111,434	76,144,630	32,762,271	52,647,675

15. OTHER BORROWINGS

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2018				
	Interest rate per annum (%)	Residual maturities			Total Baht
		Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	
Other borrowings					
Bill of exchange	4.00	528,062,334	-	-	528,062,334
Total other borrowings		528,062,334	-	-	528,062,334

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

Movements in other borrowings during the year ended December 31, 2018 and 2017 are summarized below:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Beginning balance	675,908,797	467,778,822
Financing cash flow		
Cash received from other borrowing	1,756,737,347	2,726,349,409
Cash paid from other borrowing	(1,935,000,000)	(2,550,000,000)
Non - cash item changes		
Finance cost	30,416,190	31,780,566
Ending balance of the period	<u>528,062,334</u>	<u>675,908,797</u>

16. EMPLOYEE BENEFITS OBLIGATION

Employee benefits obligation consists of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018 Baht	As at December 31, 2017 Baht	As at December 31, 2018 Baht	As at December 31, 2017 Baht
Post-employment benefits obligation	11,125,769	10,544,435	10,747,603	8,193,231
Unused paid vacation leave	620,181	1,022,857	552,323	487,824
	<u>11,745,950</u>	<u>11,567,292</u>	<u>11,299,926</u>	<u>8,681,055</u>

Post-employment benefits obligation

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31,		For the year ended December 31,	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service cost	1,549,497	1,669,865	1,388,068	996,966
Interest cost	180,928	178,340	175,412	140,852
Past service cost	990,892	-	990,892	-
	<u>2,721,317</u>	<u>1,848,205</u>	<u>2,554,372</u>	<u>1,137,818</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year		For the year	
	ended December 31,		ended December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Beginning balance of post-employment benefits obligation	10,544,435	6,896,312	8,193,231	5,480,726
Current service cost	1,549,497	1,669,865	1,388,068	996,966
Interest cost	180,928	178,340	175,412	140,852
Past service cost	990,892	-	990,892	-
Improve employee benefits from termination	3,232,892	-	-	-
Actuarial (gain) loss in statement of comprehensive income				
- from experience adjustment	(673,985)	714,179	-	744,577
- from changes in demographic assumption	-	588,192	-	356,476
- from changes in financial assumption	(11,490)	651,807	-	473,634
Employee benefit paid during the year	(4,687,400)	(154,260)	-	-
Ending balance of post-employment benefits obligation	<u>11,125,769</u>	<u>10,544,435</u>	<u>10,747,603</u>	<u>8,193,231</u>

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. The management of the Company and its subsidiaries judgmentally consider that plan amendment is occurred and recognized past service cost as an expense when the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act. The Company has recorded the effect of such plan amendment and already recognized past service cost as an expense of Baht 0.99 million in the income statement for the year ended December 31, 2018.

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

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	(% per annum)	
	December 31, 2018	December 31, 2017
Financial assumptions		
Discount rate	1.91 - 2.61	1.91 - 2.20
Employee turnover rate	6.0 - 29.0	6.0 - 29.0
	Subject to range of age of employee	Subject to range of age of employee
Expected rate of salary increase	6.0	6.0

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS December 31, 2018	FINANCIAL STATEMENTS December 31, 2017	FINANCIAL STATEMENTS December 31, 2018	FINANCIAL STATEMENTS December 31, 2017
Salary incremental rates - 1% increase	691,636	657,584	654,898	459,048
Salary incremental rates - 1% decrease	(637,522)	(607,882)	(605,187)	(426,907)
Life expectancy rate - 1% increase	41,263	42,581	39,654	34,353
Life expectancy rate - 1% decrease	(41,069)	(42,384)	(39,467)	(34,189)
Turnover rate - 1% increase	(562,151)	(635,324)	(524,776)	(443,708)
Turnover rate - 1% decrease	214,999	372,071	171,490	159,281
Discount rate - 1% increase	(519,588)	(584,735)	(486,837)	(409,890)
Discount rate - 1% decrease	573,577	644,915	535,557	449,401

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

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

17. OTHER LIABILITIES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS As at December 31, 2018 Baht	FINANCIAL STATEMENTS As at December 31, 2017 Baht	FINANCIAL STATEMENTS As at December 31, 2018 Baht	FINANCIAL STATEMENTS As at December 31, 2017 Baht
Withholding tax payable	466,244	416,943	364,824	265,140
Value-added-tax payable	206,744	238,814	206,744	207,260
Other payables	12,763,498	6,432,466	11,761,565	6,159,501
Accrued expenses	5,622,978	5,607,701	4,805,930	4,975,182
Amounts of capital reduction and dividend not redeemed by shareholders	5,781,551	5,586,454	5,781,551	5,586,454
Deposit for share payment	5,000,000	-	5,000,000	-
Others	2,289,136	1,124,222	2,089,327	1,018,623
Total	<u>32,130,151</u>	<u>19,406,600</u>	<u>30,009,941</u>	<u>18,212,160</u>

18. SHARE CAPITAL

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

- 1) Approved the Company's registered capital decrease from the registered capital of Baht 941,964,586 to Baht 653,868,463 by cancelling 576,192,246 authorized but unissued ordinary shares at the par value of Baht 0.50 per share which the Company registered with the registrar of Partnership and Companies on December 25, 2018.
- 2) Approved the Company's registered capital increase from the registered capital of Baht 653,868,463 to Baht 1,240,302,463 by issuing newly ordinary shares not exceeding 1,172,868,000 shares at the par value of Baht 0.50 per share to be offered for sale to a specific investor on the private placement basis and to accommodate the exercise of the warrants to purchase the Company's newly issued ordinary share with the registrar of Partnership and Companies on December 26, 2018.
- 3) Approved the issuance and allocation of not exceeding 346,000,000 newly issued ordinary shares of the Company at the par value of Baht 0.50 per share, at the offering price of Baht 1.35 per share, totaling Baht 467,100,000 to be offered for sale to a specific investor on the private placement basis which is still in the process for payment of newly issued ordinary shares and to consider approving the issuance and allocation of the warrants to purchase the Company's newly issue ordinary shares No. 4 (ZMICO-W4) to the Company's existing shareholders in proportion to their existing shareholdings by way of right offering (the "Warrants") in the amount of not exceeding 413,434,000 units free of charge.

As at December 31, 2018, the Company has authorized share capital of Baht 1,240,302,463 and issued and paid-up share capital of Baht 653,868,463 and as at December 31, 2017 the Company has authorized share capital of Baht 941,964,586 and issued and paid-up share capital of Baht 653,868,463.

Net asset value

As at December 31, 2018 and 2017, net asset value per share, which was determined by dividing owners' equity by the number of issued and paid-up shares which net of the number of treasury stocks at the end of reporting date, is as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Net asset value (per share)	1.57	1.80	1.65	1.82

19. DIVIDEND

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

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

20. CAPITAL MANAGEMENT

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

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

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

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

21. PREMIUM ON SHARE CAPITAL

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

22. STATUTORY RESERVE

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

As at December 31, 2018 and 2017, the Company has statutory reserve at the rate of 8.74 and 11.51 percent, respectively, of the registered capital.

23. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	3,127,022	27,378,858	-	-
Other	1,326,389	-	1,326,389	-
Total	4,453,411	27,378,858	1,326,389	-

24. GAIN (LOSS) AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Gain (loss) on investment	(149,757,874)	231,294,842	(149,579,978)	230,284,167
Interest and dividend income	20,417,452	17,650,104	20,384,229	16,804,943
Total	(129,340,422)	248,944,946	(129,195,749)	247,089,110

25. DIRECTORS' REMUNERATION

Directors represent the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive position. Directors' remuneration for the year 2018 was approved by the ordinary shareholders' meeting of the Company and its subsidiary which were held on April 27, 2018 and April 17, 2018, respectively. Directors' remuneration for the year 2017 was approved by the ordinary shareholders' meetings of the Company and its subsidiary which were held on April 27, 2017 and April 17, 2017, respectively.

26. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	57,019	1,346,603	-	-
Referral expense	58,047	426,663	-	-
Others	1,017,409	3,621,450	666,055	262,551
Total	1,132,475	5,394,716	666,055	262,551

27. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Impairment loss from equity securities (reversal)	(70,412,741)	22,262,629	(70,412,741)	22,262,629
Impairment loss from debt securities (reversal)	-	105,000,000	(25,632,496)	25,632,496
Impairment loss on investment in subsidiary	-	-	47,282,759	98,832,286
Total	(70,412,741)	127,262,629	(48,762,478)	146,727,411

28. OTHER EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Premises and equipment expenses	9,742,403	11,032,056	5,782,624	6,151,693
Consulting fee	8,646,013	11,680,816	6,723,921	8,689,038
Communication and information expenses	2,091,546	3,124,174	1,176,519	1,199,833
Entertainment expenses	75,322	320,824	71,182	98,760
Publication and marketing expenses	590,942	669,994	57,459	97,798
Traveling expenses	1,360,066	984,970	968,900	692,666
SET fee	4,603,815	2,948,486	4,603,815	2,948,486
Stationery and office supply	684,042	861,926	594,080	457,291
Taxation	192,969	423,062	107,324	417,289
Loss on exchange rate	-	8,740,518	-	8,740,518
Meeting and conference	624,698	511,021	604,858	478,293
Professional fee	2,694,178	3,108,385	1,818,596	1,684,596
Others	3,400,064	1,922,513	1,208,176	1,122,141
Total	<u>34,706,058</u>	<u>46,328,745</u>	<u>23,717,454</u>	<u>32,778,402</u>

29. PROVIDENT FUND

The Company and its subsidiary set up a provident fund for those employees who elected to participate. The contributions from the employees are deducted from their monthly salaries, and the Company and its subsidiary match the individuals' contributions. The provident fund are managed by MFC Asset Management Public Company Limited, which granted the license by Government to be an authorized fund manager in accordance with the Provident Fund Act B.E. 2530. Whereas the provident fund are managed by TMB Asset Management Public Company Limited since December 2018.

For the year ended December 31, 2018 and 2017, the Company has contributed Baht 1.05 million and Baht 0.94 million, respectively, to the fund and the subsidiary has contributed Baht 0.41 million and Baht 0.87 million, respectively, to the fund.

30. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31,		For the year ended December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Income tax – income (expenses) (see Note 13)	15,033,833	(6,839,983)	15,045,382	(964,383)
Total	15,033,833	(6,839,983)	15,045,382	(964,383)

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended December 31,		For the year ended December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Profit (loss) before tax	(210,868,385)	16,713,639	(159,000,464)	15,516,481
Tax rate	20%	20%	20%	20%
The result of the account profit (loss) multiplied by the income tax rate – income (expenses)	42,173,677	(3,342,728)	31,800,093	(3,103,296)
Tax effect of the non-deductible income and expense	(4,621,406)	24,934,002	1,239,363	998,078
Effect of the temporary difference not recognized as deferred tax assets	(525,056)	(158,155)	(525,056)	(158,155)
Effect of tax loss carried forward not recognized as deferred tax assets	(17,469,018)	1,298,990	(17,469,018)	1,298,990
Deferred tax relating to the deductible of temporary difference	-	(5,864,220)	-	-
Use of tax loss carry forward (unused tax)	(4,524,364)	(23,707,872)	-	-
Income tax – income (expenses) (see Note 13)	15,033,833	(6,839,983)	15,045,382	(964,383)

31. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at December 31, 2018 and 2017 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,
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Subsidiaries				
Innotech Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	55,517,240	-
Investment in debt securities - Bill of exchange	-	-	-	54,367,504
Short - term loans	-	-	19,000,000	-
Accrued interest	-	-	343,973	-
Lumpini Asset Management Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	25,000,000	25,000,000
SE Digital Co., Ltd.				
Investment in subsidiary (see Note 10)	-	-	25,000,000	-
Associates				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 10)	1,306,638,315	1,355,344,483	1,244,095,520	1,244,095,520
Investment in private fund managed by associate	97,570,267	-	97,570,267	-
Cash balance for securities trading	4,991,795	3,194,347	4,991,795	3,194,347
Accrued private fund management fee expenses	95,199	-	95,199	-
Other payables	181,614	351,834	181,614	351,834
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 10)	6,800,642	14,160,569	13,800,000	13,800,000
Investment in debt securities - Bill of Exchange	52,230,513	52,264,684	52,230,513	52,264,684
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 10)	189,767,845	210,839,172	217,800,000	217,800,000
Related companies				
Under common directors				
Thanh Cong Securities Joint Stock Company				
Investment in ordinary shares	-	85,317,444	-	85,317,444
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	-	48,771,900	-	48,771,900
Thai Foods Group Plc.				
Investment in ordinary shares	107,755,140	214,633,980	107,755,140	214,633,980

Significant transactions with related parties for the year ended December 31, 2018 and 2017 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the year ended		For the year ended		
	December 31,		December 31,		
	2018	2017	2018	2017	
	Baht	Baht	Baht	Baht	
Subsidiaries					
Innotech Asset Management Co., Ltd.					
Management fee of private fund	-	-	-	245,281	At the rate determined under the contract 0.2% of net asset value per year
Interest income from Bill of exchange	-	-	4,230,137	6,157,634	At the rate determined under the contract
Investment in Bill of exchange	-	-	160,000,000	430,000,000	Investment value
Withdrawal from Bill of exchange	-	-	240,000,000	350,000,000	Investment value
Interest income from short-term loans	-	-	351,644	-	At the rate determined under the contract 5% per year
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	264,600	264,600	At the rate determined under the contract of Baht 22,050 per month
Associates					
KT ZMICO Securities Co., Ltd.					
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 32.3)
Service expenses	2,169,960	4,413,750	2,169,960	4,413,750	At the rate determined under the contract (see Note 32.1)
Other fee expenses	1,803,558	2,247,477	1,803,558	2,247,477	At the rate determined under the contract
Management fee of private fund	640,544	-	640,544	-	At the rate determined under the contract 1.00% – 1.25% of net asset value per year
Investment in private fund manage by associates	156,045,620	-	156,045,620	-	Investment value
Withdrawal private fund manage by associates	46,000,000	-	46,000,000	-	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	6,299,204	2,845,938	6,299,204	2,845,938	At the rate determined under the contract
Investment in Bill of exchange	133,666,625	80,843,582	133,666,625	80,843,582	Investment value
Withdrawal from Bill of exchange	133,700,796	57,154,062	133,700,796	57,154,062	Investment value
Related with subsidiary and associate					
Selling agent fee expense	349	737	349	737	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	-	25,495	At the rate determined under the contract

For the year ended December 31, 2018 and 2017, compensations paid to key management personnel under TAS 24 (Revised 2017) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the year ended		For the year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Short-term employee benefits	7,454,129	7,413,993	5,187,013	3,904,843
Post-employment benefits	821,811	835,292	710,079	687,432
Total	<u>8,275,940</u>	<u>8,249,285</u>	<u>5,897,092</u>	<u>4,592,275</u>

32. COMMITMENTS

Transactions with related parties

32.1 On May 28, 2009, the Company entered into the agreement with KT ZMICO Securities Co., Ltd. for management service of operating, information technology including information system development and technical support, compliance, human resource management, general support and general management. The term of agreement is one year by payment in amount of Baht 150,000 per month. Subsequently, on June 1, 2014, the Company made the agreement to change the fee to Baht 197,500 per month from June 1, 2014 to May 31, 2015. The agreement is automatically extended on an annual basis. Subsequently, on July 3, 2017, the Company made the agreement to change the fee to be Baht 60,000 per month from July 3, 2017 to June 30, 2018. The agreement is automatically extended on an annual basis. The Company already cancelled the agreement. Subsequently, on June 1, 2018, the Company made the agreement to change the fee to Baht 48,000 per month from July 2, 2018 to June 30, 2019. The agreement is automatically extended on an annual basis unless either party notifies another party for the cancellation in written at least 30 days before the expiry date of the agreement in each time.

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

- 32.2 On October 17, 2012, the Company entered into an agreement with Innotech Asset Management Co., Ltd. which is subsidiary company. The subsidiary will manage the Company's fund for one year. Contract, which will be expired on October 17, 2013, is automatically renewed for another year. Under the agreement, the Company agreed to pay a management fee at rated of 0.2 percent per annum of the net asset value of the fund. However, on November 29, 2017, the Company cancelled the agreement.
- 32.3 On May 1, 2013, the Company entered into agreement with KT ZMICO Securities Company Limited for providing various research papers of offshore. The term of agreement is 2 years and will be expired on April 30, 2015. The agreement is automatically extended for one year each, unless by earlier mutual termination. The Company receives a monthly fee of Baht 250,000.
- 32.4 On January 12, 2016, the Company entered into an agreement with KTZ Ruby Hill Securities Company Limited. Such company shall act as the investment advisory, Brokerage and Dealing to the Company for the purpose of the securities trade in both Yangon Stock Exchange or YSX and OTC market. The term of agreement is 2 years and can be extended if it is agreed by both parties. The Company agreed to pay fees at rated determined under the agreement.
- 32.5 On March 21, 2018, the Company entered into an agreement with KT ZMICO Securities Co., Ltd. which is associate company. The associate will manage the Company's fund for two years. Contract, which will be renew for one year each unless either the Company notifies for the cancellation in written. Under the agreement, the Company agreed to pay a management fee at rated of 1.00 - 1.25 percent per annum of the net asset value of the fund.

Transactions with other business parties

- 32.6 As at December 31, 2018 and December 31, 2017, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

	(Unit: Million Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Within 1 year	0.3	3.4	0.2	2.3
Over 1 year to 5 years	-	0.3	-	0.2
Total	<u>0.3</u>	<u>3.7</u>	<u>0.2</u>	<u>2.5</u>

33. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the year ended December 31, 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	For the year ended December 31, 2018			
	Securities segment	Asset Management segment	Investment And others segment	Consolidated Financial statement
Revenue from external customers	(21,398)	3,127	(86,033)	(104,304)
Total revenues	(21,398)	3,127	(86,033)	(104,304)
Segment income	(21,398)	(25,039)	(86,033)	(132,470)
Unallocated income and expenses :				
Gain on transfer of business to the associated company				58
Other income				5,295
Servicing and administrative expenses				(83,752)
Income tax - income				15,034
Net loss				(195,835)

	(Unit: Thousand Baht)			
	For the year ended December 31, 2017			
	Securities segment	Asset Management segment	Investment and others segment	Consolidated Financial statement
Revenue from external customers	1,584	27,379	115,082	144,045
Total revenues	1,584	27,379	115,082	144,045
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				(6,840)
Net profit				9,874

Assets classified by segment of the Company as at December 31, 2018 and December 31, 2017 were presented as follows:

	(Unit: Thousand Baht)					
	Securities segment	Assets Management segment	Investment and others segment	Non-Performing Assets Management segment	Unallocated assets	Consolidated Financial statement
Assets by segment						
As at December 31, 2018	1,306,638	55,517	931,473	24,237	455,004	2,772,869
As at December 31, 2017	1,355,344	60,067	1,390,129	24,537	382,039	3,212,116

34. RISK MANAGEMENT

34.1 Liquidity risk

The Company

Under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 32/2560 regarding “Net Liquid Capital Ratio - NCR”, securities company is required to maintain its net liquid capital at the end of working day not less than Baht 15 million and not less than 7% of general liabilities.

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

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Ordinary Members” regarding the “Qualification of Ordinary Membership”, the Ordinary Membership is required to have owners’ equity at least Baht 500 million for membership operating especially in derivatives business.

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

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

However, as at December 31, 2018, the Company is able to maintain its net liquid capital more than the condition.

Subsidiaries

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

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

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

As at December 31, 2018, the subsidiary is able to maintain the capital adequacy which is in accordance with the SEC’s regulations (see Note no.1).

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

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	352	-	-	-	-	-	352
Securities business receivables	-	-	-	-	-	63	63
Investments	-	259	-	-	476	-	735
Total	352	259	-	-	476	63	1,150
Financial liabilities							
Other borrowing	-	528	-	-	-	-	528
Total	-	528	-	-	-	-	528

(Unit: Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

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

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of net financial instruments

	At call	Within 1 year	1 - 5 years	Over 5 years	Not limit	Non- performing receivables	Total
Financial assets							
Cash and cash equivalents	288	-	-	-	-	-	288
Securities business receivables	-	-	-	-	-	63	63
Investments	-	224	-	-	476	-	700
Total	288	224	-	-	476	63	1,051
Financial liabilities							
Other borrowing	-	528	-	-	-	-	528
Total	-	528	-	-	-	-	528

(Unit: Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments

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

34.2 Significant financial instruments risk

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

34.2.1 Interest rate risk

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

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of net financial instruments

reprising or maturity dates

	Floating interest rate	At call	Within 1 year	1-5 years	Over 5 years	Non- performing receivables	No interest	Total	Interest rate (Percent)	
									Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	289	-	-	-	-	-	63	352	0.375 - 1.20	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	259	-	-	-	476	735	-	1.25 - 1.50
Total	289	-	259	-	-	63	539	1,150		
Financial liabilities										
Other borrowing	-	-	528	-	-	-	-	528	-	4.00
Total	-	-	528	-	-	-	-	528		

(Unit : Million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments
repricing or maturity dates

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

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2018

Outstanding balances of net financial instruments
repricing or maturity dates

	Floating interest rate	At call	Within			Non- performing receivables	No interest	Total	Interest rate (Percent)	
			1 year	1-5 years	Over 5 years				Floating rate	Fixed rate
Financial assets										
Cash and cash equivalents	225	-	-	-	-	-	63	288	0.375 - 1.20	-
Securities business receivables	-	-	-	-	-	63	-	63	-	-
Investments	-	-	224	-	-	-	476	700	-	-
Total	225	-	224	-	-	63	539	1,051		
Financial liabilities										
Other borrowing	-	-	528	-	-	-	-	528	-	4.00
Total	-	-	528	-	-	-	-	528		

(Unit : Million Baht)

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2017

Outstanding balances of net financial instruments
repricing or maturity dates

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

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

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2018			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	335,523,990	2,876,497	0.86
Investment in debt securities	547,960,525	59,288,637	10.82
Held-to-maturity investment	23,261,597	332,535	1.43
Financial liabilities			
Other borrowing	722,083,333	28,612,632	3.96
(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	375,508,879	3,432,646	0.91
Investment in debt securities	802,300,389	64,151,760	8.00
Held-to-maturity investment	43,738,769	3,056,685	6.99
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2018			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	303,809,325	2,824,166	0.93
Investment in debt securities	532,104,807	59,466,533	11.18
Financial liabilities			
Other borrowing	722,083,333	28,612,632	3.96
(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
As at December 31, 2017			
Financial Instruments	Average balance	Interest income / Interest expense	Average yield (Percent)
Financial assets			
Cash and cash equivalents	347,996,312	3,346,951	0.96
Investment in debt securities	762,766,204	63,911,838	8.38
Held-to-maturity investment	20,622,162	2,645,644	12.83
Financial liabilities			
Other borrowing	810,000,000	29,533,090	3.65

34.2.2 Credit risk

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

34.2.3 Foreign exchange risk

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

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

As at December 31, 2018, the Company had unhedged foreign currency - denominated assets as follows:

Asset	Foreign currency	Amount (Unit: thousand)	Exchange rate (Baht per foreign exchange rate) as at December 31, 2018
Ordinary shares			
EDL-GEN	Lao People's Democratic Republic LAK	8,325,774	0.003775
AMC III	United States USD	293	32.1924
YEG	Vietnamese VND	34,414,335	0.00139

34.2.4 Market situation risk

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

34.2.5 Fair value

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

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

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	December 31, 2018	December 31, 2017		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	105,247,574	245,972,314	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Trading securities				
Unit trust	382,629	-	2	Net asset value of the last working day of the reporting period
Debt securities -				
Corporate bond	-	27,024,289	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities -				
Bill of exchange	236,112,869	599,810,912	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities	176,569,011	4,425,246	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
Financial assets/ Financial liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	December 31, 2018	December 31, 2017		
<u>Financial Assets</u>				
Investments - Net				
Trading securities				
Listed securities	105,247,574	245,972,314	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Trading securities.				
Unit trust	382,629	-	2	Net asset value of the last working day of the reporting period
Debt securities -				
Corporate bond	-	27,024,289	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities -				
Bill of exchange	224,872,394	638,866,087	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities	176,569,011	4,425,246	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

34.2.5.2 Financial instruments not measured at fair value

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

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	As at December 31, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	352,445,320	352,445,320	3	Net present value of expected cash inflow
Held to-maturity investments	23,289,155	23,289,155	3	Net present value of expected cash inflow
General Investment Equity securities	193,303,152	193,303,152	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of Exchange	528,062,334	528,062,334	3	Net present value of expected cash outflow

(Unit : Baht)

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

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2018		Fair value hierarchy	Valuation techniques and key inputs
	Carrying Amount	Fair Value		
	Baht	Baht		
<u>Financial assets</u>				
Cash and cash equivalents	288,040,386	288,040,386	3	Net present value of expected cash inflow
General Investment Equity securities	193,303,152	193,303,152	3	Net asset value of invested company
<u>Financial liabilities</u>				
Other Borrowing Bill of exchange	528,062,334	528,062,334	3	Net present value of expected cash outflow

(Unit : Baht)

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

35. TRANSFER OF BUSINESS

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

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

For the year ended December 31, 2018 and 2017, the Company recognized additional gain on transfer of business to the associated company of Baht 0.06 million.

As at December 31, 2018 and 2017, the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.22 million and Baht 148.28 million, respectively.

36. EVENT AFTER THE REPORTING PERIOD

On January 15, 2019, the Company entered into the share sale agreement in a general investment with 125 million share and total amount of Baht 210 million. The Company received payment from the buyer for the whole amount on February 15, 2019 in accordance with the conditions specified in the acquisition agreement.

37. 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, 2019.