

Capital Nomura Securities Public Company Limited  
Report and financial statements  
30 June 2017



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## Independent Auditor's Report

To the Shareholders of Capital Nomura Securities Public Company Limited

### Report on Audit of Financial Statements

#### Opinion

I have audited the accompanying financial statements of Capital Nomura Securities Public Company Limited, which comprise the statement of financial position as at 30 June 2017, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Nomura Securities Public Company Limited as at 30 June 2017, its financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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## Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures responded to each matter are described below.

### 1. **Recognition of brokerage fees and interest on margin loans**

The Company's income mainly consisted of brokerage fees and interest on margin loans, amounting to Baht 424 million and Baht 176 million, respectively, representing 44 percent and 18 percent of the Company's total revenue. The Company charges brokerage fees at variable percentages of trading volume, based on the type of customer and their trading volume, whereas interest on credit balance loans is charged at fixed rates that are adjusted periodically based on market conditions and the competitive environment. Because the size and volume of transactions, the number of customers and the fees charged to customers depend on various factors, and the recognition of revenue from brokerage fees and interest on margin loans relies primarily on data processing by information systems, I addressed the correct measurement and occurrence of brokerage fees and interest on margin loans as a key audit matter.

The audit procedures I performed were as follows. Assessed, and tested on a sample basis, the Company's internal controls relevant to the recognition of brokerage fees and interest on margin loans, including IT system controls relevant to the calculation of brokerage fees and interest on margin loans. I also tested, on a sample basis, the brokerage rates, interest rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fees and interest on credit balance loans and examined, on a sample basis, material manual adjustments made via journal vouchers.



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## **2. Allowance for doubtful accounts for securities and derivatives business receivables**

As discussed in Note 8 to the financial statements, the allowance for doubtful accounts for securities and derivatives business receivables is determined through consideration of specific reviews, collection risk and the value of the collateral. For securities trading and credit balance transactions, the Company has policies regarding the collateral to be placed, with the value of collateral placed dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of the allowance for doubtful accounts for securities and derivatives business receivables is significant because of the number of the customers and the significance of the amount of the receivables to the Company's financial statements, with securities and derivatives business receivables amounting to Baht 9,591 million as at 30 June 2017, representing 92 percent of the Company's total assets. Therefore, I addressed the adequacy of the allowance for doubtful accounts for such receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts for securities and derivatives business receivables, as follows:

- Assessed, and tested on a sample basis, the Company's internal controls relevant to the status of account receivables, calculation of collateral value, calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the Company's method applied to the determination and calculation of the allowance, and compared the Company's policy with regulatory requirements and tested certain controls over the IT systems relevant to the calculation of the collateral value and revaluation adjustments of the fair value of collateral.
- Examined the allowance for doubtful accounts as at the period-end date by testing the completeness of the data used in the calculation of the allowance for doubtful accounts, and testing, on a sample basis, the status of outstanding debts, the valuation of collateral items, debt collection made after the period-end date, the correctness of the classification and the calculation of the allowance.



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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report



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## **Review Report of Interim Financial Information**

I have reviewed the accompanying statements of comprehensive income and notes to the financial statements for the three-month period ended 30 June 2017 ("Interim financial information") of Capital Nomura Securities Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 28 August 2017

Capital Nomura Securities Public Company Limited

Statement of financial position

As at 30 June 2017

(Unit: Baht)

|  | Note | 30 June 2017          | 31 December 2016      |
|--|------|-----------------------|-----------------------|
| <b>Assets</b>                                      |      |                       |                       |
| Cash and cash equivalents                          | 6    | 246,868,623           | 437,956,441           |
| Receivables from Clearing House and broker-dealers | 7    | 103,546,286           | 468,496,984           |
| Securities and derivatives business receivables    | 8    | 9,590,907,111         | 8,815,483,132         |
| Investments  | 9    | 79,743,533            | 187,825,383           |
| Premises and equipment                             | 10   | 112,143,080           | 130,475,813           |
| Intangible assets                                  | 11   | 12,928,092            | 12,698,110            |
| Deferred tax assets                                | 12   | 57,152,634            | 68,648,193            |
| Other assets                                       | 13   | 236,889,003           | 207,619,757           |
| <b>Total assets</b>                                |      | <b>10,440,178,362</b> | <b>10,329,203,813</b> |

The accompanying notes are an integral part of the financial statements.



Signed :

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Director

*M. Nomura*



Capital Nomura Securities Public Company Limited

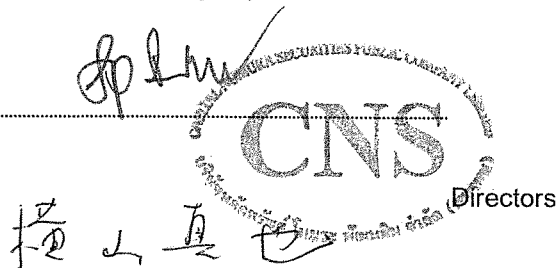
Statement of financial position (Continued)

As at 30 June 2017

(Unit: Baht)

|  | Note | 30 June 2017          | 31 December 2016      |
|--|------|-----------------------|-----------------------|
| <b>Liabilities and equity</b>                  |      |                       |                       |
| <b>Liabilities</b>                             |      |                       |                       |
| Borrowings from financial institutions         | 14   | 2,050,000,000         | 2,050,000,000         |
| Payables to Clearing House and broker-dealers  | 15   | 104,108,920           | 70,837,244            |
| Securities and derivatives business payables   | 16   | 2,543,949,621         | 2,294,226,023         |
| Corporate income tax payables                  |      | 52,162,382            | 69,559,737            |
| Provisions for long-term employee benefits     | 17   | 95,933,851            | 92,068,141            |
| Other liabilities                              | 18   | 201,600,973           | 267,248,112           |
| <b>Total liabilities</b>                       |      | <b>5,047,755,747</b>  | <b>4,843,939,257</b>  |
| <b>Equity</b>                                  |      |                       |                       |
| Share capital - Registered, issued and paid-up |      |                       |                       |
| 2,150,469,000 ordinary shares of Baht 1 each   |      | 2,150,469,000         | 2,150,469,000         |
| Premium on share capital and treasury stock    |      | 2,133,320,850         | 2,133,320,850         |
| Retained earnings                              |      |                       |                       |
| Appropriated - statutory reserve               | 19   | 155,000,000           | 155,000,000           |
| - general reserve                              |      | 215,000,000           | 215,000,000           |
| Unappropriated                                 |      | 738,665,594           | 832,966,523           |
| Other components of equity - revaluation       | 9.3  |                       |                       |
| deficit on investments                         |      | (32,829)              | (1,491,817)           |
| <b>Total equity</b>                            |      | <b>5,392,422,615</b>  | <b>5,485,264,556</b>  |
| <b>Total liabilities and equity</b>            |      | <b>10,440,178,362</b> | <b>10,329,203,813</b> |

The accompanying notes are an integral part of the financial statements.


  
 Capital Nomura Securities Public Company Limited (CNS)
   
 Directors

Capital Nomura Securities Public Company Limited

Statements of comprehensive income

For the three-month and six-month periods ended 30 June 2017

(Unit: Baht)

|  | Note   | For the three-month periods |                             | For the six-month periods |                    |
|--|--------|-----------------------------|-----------------------------|---------------------------|--------------------|
|  |        | ended 30 June               |                             | ended 30 June             |                    |
|  |        | 2017                        | 2016                        | 2017                      | 2016               |
|  |        | (Unaudited<br>but reviewed) | (Unaudited<br>but reviewed) | (Audited)                 | (Audited)          |
| <b>Profit or loss:</b>                   |        |                             |                             |                           |                    |
| <b>Revenue</b>                           |        |                             |                             |                           |                    |
| Brokerage fees                           | 21     | 178,296,126                 | 188,140,036                 | 423,778,891               | 402,983,895        |
| Fees and service income                  | 22, 27 | 83,766,654                  | 70,147,462                  | 186,789,793               | 110,556,402        |
| Interest on margin loans                 |        | 85,557,626                  | 90,818,130                  | 176,054,959               | 177,240,809        |
| Gain and return on financial instruments | 23     | 159,350,681                 | 27,616,132                  | 182,730,382               | 63,235,952         |
| Other income                             |        | 2,203,229                   | 1,643,029                   | 3,153,141                 | 9,092,562          |
| <b>Total revenue</b>                     |        | <b>509,174,316</b>          | <b>378,364,789</b>          | <b>972,507,166</b>        | <b>763,109,620</b> |
| <b>Expenses</b>                          |        |                             |                             |                           |                    |
| Personnel expenses                       |        | 152,639,928                 | 161,988,448                 | 313,099,705               | 320,905,916        |
| Fees and services expenses               |        | 55,094,192                  | 30,601,666                  | 124,184,449               | 60,566,090         |
| Financial costs                          |        | 18,902,477                  | 21,438,391                  | 39,808,499                | 44,220,908         |
| Bad debt and doubtful accounts           |        | 67,972                      | -                           | 635,344                   | -                  |
| Other expenses                           |        | 65,580,470                  | 63,942,596                  | 132,273,605               | 127,390,095        |
| <b>Total expenses</b>                    |        | <b>292,285,039</b>          | <b>277,971,101</b>          | <b>610,001,602</b>        | <b>553,083,009</b> |
| <b>Profit before income tax</b>          |        | <b>216,889,277</b>          | <b>100,393,688</b>          | <b>362,505,564</b>        | <b>210,026,611</b> |
| Income tax                               | 12     | (43,467,086)                | (19,289,791)                | (69,722,073)              | (41,382,439)       |
| <b>Profit for the period</b>             |        | <b>173,422,191</b>          | <b>81,103,897</b>           | <b>292,783,491</b>        | <b>168,644,172</b> |

The accompanying notes are an integral part of the financial statements.



Signed :

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Director

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Capital Nomura Securities Public Company Limited

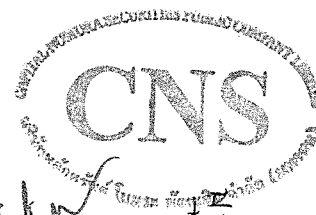
Statements of comprehensive income (continued)

For the three-month and six-month periods ended 30 June 2017

(Unit: Baht)

|   | Note | For the three-month periods                          |                             | For the six-month periods |             |              |
|---|------|--|-----------------------------|---------------------------|-------------|--------------|
|   |      | ended 30 June  |                             | ended 30 June             |             |              |
|   |      | 2017   | 2016                        | 2017                      | 2016        |              |
|   |      | (Unaudited<br>but reviewed)                          | (Unaudited<br>but reviewed) | (Audited)                 | (Audited)   |              |
| <b>Other comprehensive income:</b>                |      |  |                             |                           |             |              |
| Other comprehensive income to be reclassified     |      |  |                             |                           |             |              |
| to profit or loss in subsequent periods:          |      |  |                             |                           |             |              |
| Gain (loss) on change in value of                 |      |  |                             |                           |             |              |
|   |      | available-for-sale investments                       | 1,604,688                   | (2,371,675)               | 1,823,735   | (1,969,195)  |
| Income tax relating to gain (loss) on change      |      |  |                             |                           |             |              |
|   | 12   | in value of available-for-sale investments           | (320,938)                   | 474,335                   | (364,747)   | 393,839      |
| Net other comprehensive income to be reclassified |      |  |                             |                           |             |              |
|   |      | to profit or loss in subsequent periods              | 1,283,750                   | (1,897,340)               | 1,458,988   | (1,575,356)  |
| Other comprehensive income not to be reclassified |      |  |                             |                           |             |              |
| to profit or loss in subsequent periods:          |      |  |                             |                           |             |              |
|   |      | Actuarial Losses                                     | -                           | (12,766,738)              | -           | (12,766,738) |
|   | 12   | Income tax relating to actuarial losses              | -                           | 2,553,348                 | -           | 2,553,348    |
| Net other comprehensive income not to be          |      |  |                             |                           |             |              |
|   |      | reclassified to profit or loss in subsequent periods | -                           | (10,213,390)              | -           | (10,213,390) |
| Total comprehensive income (loss) for the period  |      |  |                             |                           |             |              |
|   |      |  | 1,283,750                   | (12,110,730)              | 1,458,988   | (11,788,746) |
| Total comprehensive income for the period         |      |  |                             |                           |             |              |
|   |      |  | 174,705,941                 | 68,993,167                | 294,242,479 | 156,855,426  |
| Basic earnings per share                          |      |  |                             |                           |             |              |
|   | 25   | Profit for the period                                | 0.08                        | 0.04                      | 0.14        | 0.08         |

The accompanying notes are an integral part of the financial statements.



Signed :

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Director


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Capital Nomura Securities Public Company Limited  
Statement of changes in equity  
For the six-month period ended 30 June 2017

(Unit: Baht)

|  | Issued and paid-up share capital |         | Premium on share capital and treasury stock |                    | Retained earnings |                 | Other components of equity - revaluation surplus (deficit) on investments |             | Total         |
|--|----------------------------------|---------|---|--------------------|-------------------|-----------------|---|-------------|---------------|
|  | share capital                    | paid-up | share capital                               | and treasury stock | Appropriated      |                 | Unappropriated  |             |               |
|  |                                  |         |   |                    | Statutory reserve | General reserve |   |             |               |
| <b>Balance - as at 1 January 2016</b>            | 2,150,469,000                    | -       | 2,133,320,850                               | -                  | 134,300,000       | 215,000,000     | 838,781,258   | 1,134,327   | 5,473,005,435 |
| Profit for the period                            | -                                | -       | -   | -                  | -                 | -               | 168,644,172   | -           | 168,644,172   |
| Other comprehensive income (loss) for the period | -                                | -       | -   | -                  | -                 | -               | (10,213,390)  | (1,575,356) | (11,788,746)  |
| Total comprehensive income for the period        | -                                | -       | -   | -                  | -                 | -               | 158,430,782   | (1,575,356) | 156,855,426   |
| Dividend paid (Note 26)                          | -                                | -       | -   | -                  | -                 | -               | (387,084,420)   | -           | (387,084,420) |
| <b>Balance - as at 30 June 2016</b>              | 2,150,469,000                    | -       | 2,133,320,850                               | -                  | 134,300,000       | 215,000,000     | 610,127,620   | (441,029)   | 5,242,776,441 |
| <b>Balance - as at 1 January 2017</b>            | 2,150,469,000                    | -       | 2,133,320,850                               | -                  | 155,000,000       | 215,000,000     | 832,966,523   | (1,491,817) | 5,485,264,556 |
| Profit for the period                            | -                                | -       | -   | -                  | -                 | -               | 292,783,491   | -           | 292,783,491   |
| Other comprehensive income for the period        | -                                | -       | -   | -                  | -                 | -               | -   | 1,458,988   | 1,458,988     |
| Total comprehensive income for the period        | -                                | -       | -   | -                  | -                 | -               | 292,783,491   | 1,458,988   | 294,242,479   |
| Dividend paid (Note 26)                          | -                                | -       | -   | -                  | -                 | -               | (387,084,420)   | -           | (387,084,420) |
| <b>Balance - as at 30 June 2017</b>              | 2,150,469,000                    | -       | 2,133,320,850                               | -                  | 155,000,000       | 215,000,000     | 738,665,594   | (32,829)    | 5,392,422,615 |

The accompanying notes are an integral part of the financial statements.



Signed:   
 Director

M. n. n.

**Capital Nomura Securities Public Company Limited**

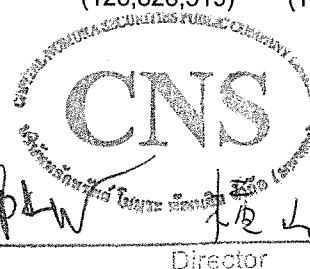
**Statements of cash flows**

**For the six-month period ended 30 June 2017**

|   | (Unit: Baht)  |                 |
|---|---------------|-----------------|
|   | 2017          | 2016            |
| <b>Cash flows from operating activities</b>   |               |                 |
| Profit before income tax  | 362,505,564   | 210,026,611     |
| Adjustments to reconcile profit before income tax<br>to net cash provided by (paid from) operating activities |               |                 |
| Depreciation and amortisation   | 22,747,377    | 18,924,309      |
| Doubtful accounts   | 635,344       | -               |
| Loss on revaluation of investments  | 2,117,378     | 415,435         |
| Gain on disposal securities   | (135,337,043) | (157,791)       |
| Gain on disposal and written-off equipment  | (1,211)       | (6,558,441)     |
| (Gain) loss on derivatives/exchange rate  | (1,852,924)   | 1,100           |
| Financial costs   | 39,808,499    | 44,220,908      |
| Interest and dividend income  | (29,759,321)  | (34,269,707)    |
| Interest income from margin loans   | (176,054,959) | (177,240,809)   |
| Others interest income  | (722,013)     | (735,410)       |
| Long-term employee benefits   | 4,284,938     | 4,119,276       |
| Income from operating activities before changes<br>in operating assets and liabilities                        | 88,371,629    | 58,745,481      |
| Operating assets (increase) decrease  |               |                 |
| Receivables from Clearing House and broker-dealers  | 366,803,622   | (334,531,514)   |
| Securities and derivatives business receivables   | (778,971,765) | (2,028,020,885) |
| Trading securities  | 6,725,322     | (3,177,090)     |
| Other assets  | (29,820,039)  | (1,513,724)     |
| Operating liabilities increase (decrease)   |               |                 |
| Borrowings from financial institutions  | -             | 150,000,000     |
| Payables to Clearing House and broker-dealers   | 33,271,676    | 363,807,387     |
| Securities and derivatives business payables  | 249,913,118   | 1,589,753,971   |
| Borrowings  | -             | (895,569,761)   |
| Provision for long-term employee benefits   | (419,228)     | -               |
| Other liabilities   | (62,702,854)  | (54,056,480)    |
| Cash received from (paid for) operating activities  | (126,828,519) | (1,154,562,615) |

The accompanying notes are an integral part of the financial statements.

Signed :

  
 Director

**Capital Nomura Securities Public Company Limited**

**Statements of cash flows (Continued)**

**For the six-month period ended 30 June 2017**

|  | (Unit: Baht)         |                        |
|--|----------------------|------------------------|
|  | 2017                 | 2016                   |
| Cash received from dividend                                      | 211,040              | -                      |
| Cash paid for interest expenses (included other financial costs) | (43,225,364)         | (48,644,130)           |
| Cash received from interest                                      | 8,174,497            | 11,523,803             |
| Cash received from interest on margin loans                      | 178,967,401          | 181,645,613            |
| Cash received from other interest                                | 496,431              | 747,231                |
| Cash paid for income tax   | (75,988,615)         | (62,799,056)           |
| <b>Net cash used in operating activities</b>                     | <b>(58,193,129)</b>  | <b>(1,072,089,154)</b> |
| <b>Cash flows from investing activities</b>                      |                      |                        |
| Cash paid for purchase of available-for-sale securities          | (6,295,575)          | -                      |
| Cash received from disposal of available-for-sale securities     | 105,756,797          | 10,316,763             |
| Net cash received (paid) for held-to maturity debt securities    | (32,831)             | 529,065,192            |
| Cash received from disposal of other investment                  | 136,766,631          | -                      |
| Cash paid for acquisition of equipment                           | (1,724,766)          | (52,035,344)           |
| Cash received from sales of equipment                            | 1,215                | 6,718,972              |
| Cash paid for acquisition of intangible assets                   | (2,157,615)          | (7,143,377)            |
| Cash received from interest                                      | 21,283,544           | 20,808,238             |
| Cash received from dividend                                      | 592,331              | 3,631,353              |
| <b>Net cash from investing activities</b>                        | <b>254,189,731</b>   | <b>511,361,797</b>     |
| <b>Cash flows from financing activities</b>                      |                      |                        |
| Dividends paid   | (387,084,420)        | (387,084,420)          |
| <b>Net cash used in financing activities</b>                     | <b>(387,084,420)</b> | <b>(387,084,420)</b>   |
| <b>Net decrease in cash and cash equivalents</b>                 | <b>(191,087,818)</b> | <b>(947,811,777)</b>   |
| Cash and cash equivalents at the beginning of the period         | 437,956,441          | 1,463,362,886          |
| <b>Cash and cash equivalents at the end of the period</b>        | <b>246,868,623</b>   | <b>515,551,109</b>     |

**Supplemental cash flows information**

Non-cash transactions

|   |         |         |
|---|---------|---------|
| Accounts payable for purchase of fixed assets and intangible assets | 518,574 | 825,578 |
|---|---------|---------|

The accompanying notes are an integral part of the financial statements.

  
 Signed :   
 Director

**Capital Nomura Securities Public Company Limited**

**Notes to financial statements**

**For the six-month period ended 30 June 2017**

**1. General information**

Capital Nomura Securities Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Nomura Asia Investment (Singapore) Pte. Ltd., which was incorporated in Singapore. The ultimate parent company of the Group is Nomura Holdings, Inc. The Company is principally engaged in the securities and derivatives with business of securities brokerage, derivatives brokerage, selling agent, securities dealing, securities borrowing and lending services, investment and financial advisory and securities underwriting.

The registered office of the Company is at 25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Tungmahamak, Sathorn, Bangkok. As at 30 June 2017, the Company has 18 branches including a headquarter, 17 branches in Bangkok and up country.

**2. Basis of the preparation of the financial statements**

These financial statements for the six-month period ended 30 June 2017 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and they are presented in compliance with requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies No. Sor. Thor. Kor. Nor. 22/2559 dated 2 June 2016.

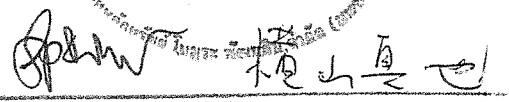
The statements of comprehensive income and notes to the financial statements for the three-month period ended 30 June 2017 are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", whereby the Company chooses to present the statements of comprehensive income and notes to the financial statements in the same full format as that used for the annual financial statements.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language interim financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.



Signed :



Director

### 3. New financial reporting standards

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

### 4. Significant accounting policies

#### 4.1 Revenue recognition

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction dates.

b) Fees and service income

Fees and service income are recognised as income when services have been rendered taking into account the stage of completion.

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

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

d) Interest and dividend

Interest is recognised as income on an accrual basis. Dividend from investments is recognised when the right to receive the dividends is established.

e) Interest on credit balance loans

Interest is recognised as interest accrues based on a time proportion basis, but where there is uncertainty as to the collectability of loans and interest the Company ceases accrual.

Signed :   
Director





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

- 1) Loans which are not fully collateralised.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue for more than 3 months.
- 3) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

#### 4.2 Expense recognition

- a) Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

- b) Fees and service expenses

Fees and service expenses are charged to expenses on an accrual basis.

#### 4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank deposit accounts maturing within 3 months or less from the date of acquisition, and including call notes receivable and term notes receivable issued by financial institutions with an ordinary maturing within 3 months or less and not subject to withdrawal restrictions.

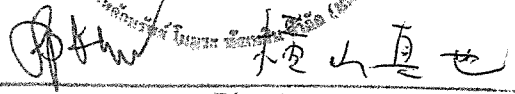
#### 4.4 Recognition and amortisation of customers' deposits assets

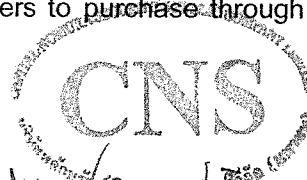
Assets which customers have placed with the Company for securities trading, both through cash accounts and credit balance accounts, including amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. As at the end of the reporting date, the Company excludes the amounts which are unsecured from both assets and liabilities and presents only those assets which belong to the Company.

#### 4.5 Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal or an agent of the borrowers and lenders of securities who are the Company's customers. The Company's objective in lending securities to its customers is solely to allow them to short sell securities through the credit balance accounts they have with the Company. These types of transaction are limited to securities listed on the SET 100 Index and on the list of securities which the Company allows customers to purchase through margin accounts (Marginable Securities).

Signed :

  
Director



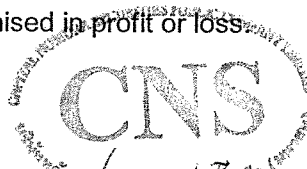
The Company records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. At the end of the period, the balance of securities borrowing payables and securities borrowing receivables are adjusted based on the close price quoted on the Stock Exchange of Thailand of the last working day of the period. Gains or losses arising from such adjustment are included in profit or loss. In addition, the Company records cash paid as collateral for securities borrowing as "Guaranteed deposit receivables" and cash received as collateral for securities lending as "Guarantee deposit payables".

Fees for borrowing and lending are recognised on an accrual basis over the term of the period.

#### 4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of those securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as gain (loss) on remeasuring investments in other comprehensive income in the statements of comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investment in held-to-maturities debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/ accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities which are classified as other investments are valued at cost net of allowance of impairment (if any).
- e) 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 debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- f) Losses on impairment of the investments (if any) are included in profit or loss when there is a factor indicating that such investments might be impaired.
- g) The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

Signed :



*[Handwritten signature]*

Director

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- h) In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other comprehensive income in the statements of comprehensive income, depending on the type of investment that is reclassified.

**4.7 Receivables from/payables to Clearing House and broker-dealers**

Receivables from/payables to Clearing House and broker-dealers comprise the net balance receivables from/payables to Thailand Clearing House in respect of securities trades settled and derivative trading, and also include amounts pledged with Thailand Clearing House as security for derivatives trading and the net balance of receivables from/payables to overseas securities companies in respect of overseas securities trades settle through those companies.

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

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful accounts, and also including related accrued interest receivables.

In addition, securities business receivables comprise the net receivables balances of cash accounts, credit balance accounts for which the securities purchased are used as collateral, securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for securities borrowing payables or Thailand Clearing House) as well as other receivables such as overdue cash customers accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

The Company has provided an allowance for doubtful accounts based on a review of debtor's ability to make repayment, taking into consideration recovery risk, and the value of the collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the following guidelines.

- a) Assets classified as doubtful loss are to satisfy the following criteria.
- (1) Loans balance 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 legislation.
  - (2) Loans balance which the Company has forgiven.

Signed :

  
Director

- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria.
- (1) General 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 repayment scheduled no less frequently than every 3 months, unless there is clear evidence and high degree of certainty that full repayment will be received.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as doubtful loss will be written-off when identified. Allowance for doubtful account will be set aside for loans classified as doubtful at not less than 100 percent of the loan balance. The above guideline is in accordance with Notification No. Kor. Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission.

#### 4.9 Premises and equipment/Depreciation

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

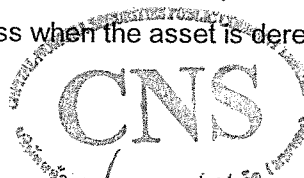
Depreciation of premises and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives:

|                        |               |
|------------------------|---------------|
| Condominium units      | 20 years      |
| Leasehold improvements | 12 years      |
| Office equipment       | 3, 5, 6 years |
| Furniture and fixtures | 5, 6 years    |
| Motor vehicles         | 5 years       |

No depreciation is provided on construction in progress.

Depreciation is included in determining income.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss when the asset is derecognised.



Signed :

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Director

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#### 4.10 Intangible assets and amortisation

Intangible assets acquired are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives is amortised for a period of 5 years.

#### 4.11 Income tax

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

##### Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legalisation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences, to the extent it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

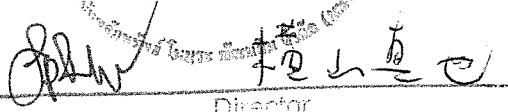
At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

#### 4.12 Property foreclosed

Property foreclosed is stated at the lower of cost or net realisable value with reference to the latest appraisal value less estimated selling expenses.

Signed :

  
Director

#### 4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss.

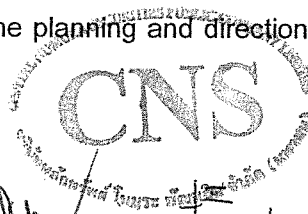
#### 4.14 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

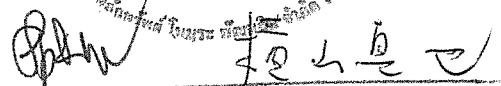
#### 4.15 Related parties transaction

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with direct or indirect authority in the planning and direction of the Company's operations.



Signed :



Director

#### 4.16 Long-term leases

Leases of assets that all the significant risk and rewards of ownership are retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### 4.17 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting date.

Gains and losses on exchange are included in determining income.

#### 4.18 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses, contribution to the social security fund and annual leave are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

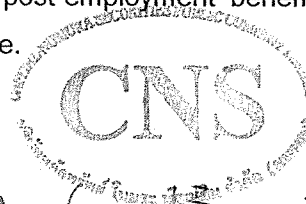
The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognised as expenses when incurred.

c) Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.



Signed :



Director

#### 4.19 Derivatives - Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in profit or loss. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

#### 4.20 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.21 Fair value measurement


Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

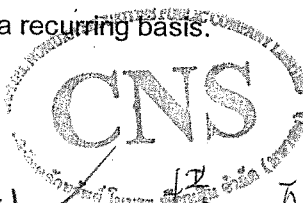
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categories within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Signed :

  
Director





**5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimation. The significant judgements and accounting estimates are as follows:

**5.1 Allowances for loan losses for securities and derivative business receivables**

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each outstanding receivable when there is any doubt about the receivable's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

**5.2 Impairment of investments**

The Company reviews and set up allowance for impairment of investment when indication of impairment exists. The determination of what is indication of impairment requires judgement of management to estimate the expected loss by considering the status of each investment item.

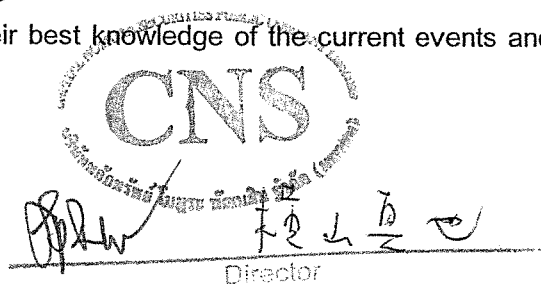
**5.3 Deferred tax assets**

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is highly probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

**5.4 Recognition and derecognition of assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Signed :

  
Director

## 5.5 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and discloses of fair value hierarchy.

## 5.6 Premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of the premises and equipment, and to review estimate useful lives and residual values when there are any changes.



In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 5.7 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate.

## 6. Cash and cash equivalents

|                                       | (Unit: Baht)    |                  |
|---------------------------------------|-----------------|------------------|
|                                       | 30 June 2017    | 31 December 2016 |
| Cash                                  | 77,075          | 75,000           |
| Current deposits and saving deposits  | 1,137,082,016   | 905,966,518      |
| Promissory notes at call              | 269,000,000     | 363,000,000      |
| Total cash and cash equivalents       | 1,406,159,091   | 1,269,041,518    |
| Less: Deposits for customers' account | (1,159,290,468) | (831,085,077)    |
| Cash and cash equivalents             | 246,868,623     | 437,956,441      |

  
Signed :   
Director

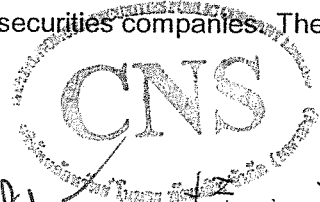


## 7. Receivables from Clearing House and broker-dealers

|   | (Unit: Baht)       |                    |
|---|--------------------|--------------------|
|   | 30 June 2017       | 31 December 2016   |
| Receivables from Clearing House                               |                    |                    |
| Equity and debt securities                                    | 56,496,873         | 460,332,699        |
| Derivatives   | 99,378,958         | 62,912,397         |
| Receivables from foreign companies                            | 10,051,400         | 2,480,662          |
| Total receivables from Clearing House and broker-dealers      | 165,927,231        | 525,725,758        |
| Less: Receivables from Clearing House for customers' accounts | (62,380,945)       | (57,228,774)       |
| Receivables from Clearing House and broker-dealers            | <u>103,546,286</u> | <u>468,496,984</u> |

## 8. Securities and derivatives business receivables

|   | (Unit: Baht)         |                      |
|---|----------------------|----------------------|
|   | 30 June 2017         | 31 December 2016     |
| <u>Securities business receivables</u>                      |                      |                      |
| Cash accounts   | 1,840,548,276        | 1,240,159,799        |
| Credit balances receivables                                 | 6,590,051,396        | 6,950,679,593        |
| Guaranteed deposit receivables                              | 600,041,953          | 306,918,817          |
| Receivables under securities borrowing and lending business | 531,848,225          | 286,731,826          |
| Other receivables   | 6,947,168            | 6,311,825            |
| Total securities business receivables                       | 9,569,437,018        | 8,790,801,860        |
| Add: Accrued interest receivables                           | 27,635,275           | 30,547,717           |
| Less: Allowance for doubtful accounts                       | (6,970,741)          | (6,335,398)          |
| Net securities business receivables                         | <u>9,590,101,552</u> | <u>8,815,014,179</u> |
| <u>Derivatives business receivables</u>                     |                      |                      |
| Derivatives business receivables                            | 805,559              | 468,953              |
| Total derivatives business receivables                      | <u>805,559</u>       | <u>468,953</u>       |
| Net securities and derivatives business receivables         | <u>9,590,907,111</u> | <u>8,815,483,132</u> |

- 8.1 As at 30 June 2017, the Company has securities business receivables of approximately Baht 7 million on which the recognition of income on an accrual basis has been suspended (31 December 2016: Baht 6 million).
- 8.2 As at 30 June 2017 and 31 December 2016, the Company has classified its securities business receivables including related interest receivable as follows, in accordance with the relevant guidelines issued by the Office of the Securities and Exchange Commission governing accounting for the doubtful debts of securities companies. The classification is as follows:

  
 Signed:    
 Director

(Unit: Thousand Baht)

|          | 30 June 2017 |                                 |   |
|----------|--------------|---------------------------------|---|
|          | Debt balance | Allowance for doubtful accounts | Debt balance net of allowance for doubtful accounts |
| Normal   | 9,590,907    | -                               | 9,590,907   |
| Doubtful | 6,971        | (6,971)                         | -   |
| Total    | 9,597,878    | (6,971)                         | 9,590,907   |

(Unit: Thousand Baht)

|          | 31 December 2016 |                                 |   |
|----------|------------------|---------------------------------|---|
|          | Debt balance     | Allowance for doubtful accounts | Debt balance net of allowance for doubtful accounts |
| Normal   | 8,815,483        | -                               | 8,815,483   |
| Doubtful | 6,335            | (6,335)                         | -   |
| Total    | 8,821,818        | (6,335)                         | 8,815,483   |

8.3 As at 30 June 2017, guaranteed deposit receivables of approximately Baht 600 million represent cash paid to secure the borrowing of securities for securities borrowing and lending transactions, and the fair value of the securities borrowed is approximately Baht 532 million (31 December 2016: Baht 307 million and Baht 287 million, respectively).

#### 8.4 Allowance for doubtful accounts

(Unit: Thousand Baht)

|                                   | For the six-month period ended 30 June 2017 | For the year ended 31 December 2016 |
|-----------------------------------|---|-------------------------------------|
| Balance - beginning of the period | 6,335                                       | 6,335                               |
| Change during the period          | 636   | -                                   |
| Balance - end of the period       | 6,971                                       | 6,335                               |

Signed:   
Director



*M. Helmi*

## 9. Investments

### 9.1 Classify by type of investments

(Unit: Baht)

|   | 30 June 2017            |            | 31 December 2016        |            |
|---|-------------------------|------------|-------------------------|------------|
|   | Cost/<br>Amortised cost | Fair value | Cost/<br>Amortised cost | Fair value |
| <b><u>Trading securities</u></b>  |                         |            |                         |            |
| Listed equity securities  | 61,673,928              | 59,769,800 | 68,399,250              | 68,612,500 |
| Total   | 61,673,927              | 59,769,800 | 68,399,250              | 68,612,500 |
| Add (less): Allowance for revaluation   | (1,904,128)             |            | 213,250                 |            |
| Net trading securities  | 59,769,800              |            | 68,612,500              |            |
| <b><u>Available-for-sale securities</u></b>                                     |                         |            |                         |            |
| Listed equity securities  | 30,210                  | -          | 30,210                  | -          |
| Unit trusts   | 1,681,716               | 1,640,679  | 101,072,525             | 99,207,753 |
| Total   | 1,711,926               | 1,640,679  | 101,102,735             | 99,207,753 |
| Less: Allowance for revaluation   | (41,037)                |            | (1,864,772)             |            |
| Less: Allowance for impairment  | (30,210)                |            | (30,210)                |            |
| Net available-for-sale securities   | 1,640,679               |            | 99,207,753              |            |
| <b><u>Held-to-maturity debt securities</u></b>                                  |                         |            |                         |            |
| Time deposits with maturity date<br>more than 3 months<br>from acquisition date | -                       |            | 100,000,000             |            |
| Deposits subject to restriction   | 1,622,060               |            | 1,600,000               |            |
| Treasury bill   | 2,692,995,496           |            | 2,714,668,006           |            |
| Total   | 2,694,617,556           |            | 2,816,268,006           |            |
| Less: Investments for customer's<br>accounts                                    | (2,681,256,370)         |            | (2,802,734,744)         |            |
| Net held-to-maturity debt securities  | 13,361,186              |            | 13,533,262              |            |
| <b><u>Other investments</u></b>   |                         |            |                         |            |
| Non-marketable equity securities  | 14,165,250              |            | 15,665,250              |            |
| Less: Allowance for impairment  | (9,193,382)             |            | (9,193,382)             |            |
| Net other investments   | 4,971,868               |            | 6,471,868               |            |
| <b>Net investments</b>  | <b>79,743,533</b>       |            | <b>187,825,383</b>      |            |

Signed :



Director

## 9.2 Debt securities classified by remaining periods to maturity

As at 30 June 2017 and 31 December 2016, the Company classified investments in held-to-maturity debt securities by remaining periods to maturity as follows:

(Unit: Baht)

|  | 30 June 2017      |             |              |                   |
|--|-------------------|-------------|--------------|-------------------|
|  | Due within        |             |              |                   |
|  | Within 1 year     | 1 - 5 years | Over 5 years | Total             |
| <b>Held-to-maturity debt securities</b>                      |                   |             |              |                   |
| Deposits subject to restriction                              | 1,622,060         | -           | -            | 1,622,060         |
| Treasury bill  | 2,692,995,496     | -           | -            | 2,692,995,496     |
| Less: Investments for customer's accounts                    | (2,681,256,370)   | -           | -            | (2,681,256,370)   |
| <b>Total investments in held-to-maturity debt securities</b> | <b>13,361,186</b> | <b>-</b>    | <b>-</b>     | <b>13,361,186</b> |

(Unit: Baht)

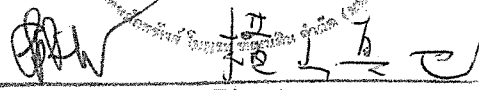
|   | 31 December 2016  |             |              |                   |
|---|-------------------|-------------|--------------|-------------------|
|   | Due within        |             |              |                   |
|   | Within 1 year     | 1 - 5 years | Over 5 years | Total             |
| <b>Held-to-maturity debt securities</b>                                   |                   |             |              |                   |
| Time deposits with maturity date more than 3 months from acquisition date | 100,000,000       | -           | -            | 100,000,000       |
| Deposits subject to restriction   | 1,600,000         | -           | -            | 1,600,000         |
| Treasury bill   | 2,714,668,006     | -           | -            | 2,714,668,006     |
| Less: Investments for customer's accounts                                 | (2,802,734,744)   | -           | -            | (2,802,734,744)   |
| <b>Total investments in held-to-maturity debt securities</b>              | <b>13,533,262</b> | <b>-</b>    | <b>-</b>     | <b>13,533,262</b> |

## 9.3 Other components of equity - revaluation surplus (deficit) on investments

(Unit: Baht)

|                                   | For the six-month period ended 30 June 2017 | For the year ended 31 December 2016 |
|-----------------------------------|---|-------------------------------------|
| Balance - beginning of the period | (1,491,817)                                 | 1,134,327                           |
| Changes during the period from    |   |                                     |
| Revaluation                       | 1,894,147                                   | (3,124,889)                         |
| Disposal                          | (70,412)                                    | (157,791)                           |
| Deferred income tax               | (364,747)                                   | 656,536                             |
| Balance - end of the period       | <b>(32,829)</b>                             | <b>(1,491,817)</b>                  |

Signed :

  
 Director

## 10. Premises and equipment

(Unit: Baht)

| For the six-month period ended 30 June 2017          |                      |                     |                           |                   |                     |             |
|--|----------------------|---------------------|---------------------------|-------------------|---------------------|-------------|
|  | Condominium<br>units | Office<br>equipment | Furniture<br>and fixtures | Motor<br>vehicles | Work<br>in progress | Total       |
| <b>Cost</b>  |                      |                     |                           |                   |                     |             |
| 1 January 2017                                       | 22,704,701           | 276,718,908         | 165,247,487               | 23,911,946        | -                   | 488,583,042 |
| Additions  | -                    | 2,012,549           | 5,276                     | -                 | -                   | 2,017,825   |
| Disposals/write-off                                  | -                    | (14,500)            | (6,355)                   | -                 | -                   | (20,855)    |
| 30 June 2017   | 22,704,701           | 278,716,957         | 165,246,408               | 23,911,946        | -                   | 490,580,012 |
| <b>Accumulated depreciation</b>                      |                      |                     |                           |                   |                     |             |
| 1 January 2017                                       | 18,441,571           | 211,621,585         | 125,058,410               | 2,985,663         | -                   | 358,107,229 |
| Depreciation for the period                          | -                    | 13,266,771          | 5,644,517                 | 1,439,266         | -                   | 20,350,554  |
| Depreciation on disposal<br>/write-off               | -                    | (14,499)            | (6,352)                   | -                 | -                   | (20,851)    |
| 30 June 2017   | 18,441,571           | 224,873,857         | 130,696,575               | 4,424,929         | -                   | 378,436,932 |
| <b>Net book value</b>                                |                      |                     |                           |                   |                     |             |
| 30 June 2017   | 4,263,130            | 53,843,100          | 34,549,833                | 19,487,017        | -                   | 112,143,080 |
| Depreciation for the six-month periods ended 30 June |                      |                     |                           |                   |                     |             |
| 2016   |                      |                     |                           |                   |                     | 16,417,540  |
| 2017   |                      |                     |                           |                   |                     | 20,350,554  |

(Unit: Baht)

| For the year ended 31 December 2016 |                      |                     |                           |                   |                     |              |
|-------------------------------------|----------------------|---------------------|---------------------------|-------------------|---------------------|--------------|
|                                     | Condominium<br>units | Office<br>equipment | Furniture<br>and fixtures | Motor<br>vehicles | Work<br>in progress | Total        |
| <b>Cost</b>                         |                      |                     |                           |                   |                     |              |
| 1 January 2016                      | 22,704,701           | 244,038,739         | 142,462,531               | 48,285,980        | 735,851             | 458,227,802  |
| Additions                           | -                    | 44,603,337          | 3,752,334                 | -                 | 24,719,159          | 73,074,830   |
| Write-off                           | -                    | (14,380,182)        | (3,965,374)               | (24,374,034)      | -                   | (42,719,590) |
| Transfer in/out                     | -                    | 2,457,014           | 22,997,996                | -                 | (25,455,010)        | -            |
| 31 December 2016                    | 22,704,701           | 276,718,908         | 165,247,487               | 23,911,946        | -                   | 488,583,042  |
| <b>Accumulated depreciation</b>     |                      |                     |                           |                   |                     |              |
| 1 January 2016                      | 18,441,571           | 203,381,269         | 119,719,796               | 24,457,299        | -                   | 365,999,935  |
| Depreciation for the year           | -                    | 22,595,314          | 8,854,631                 | 2,902,388         | -                   | 34,352,333   |
| Depreciation on write-off           | -                    | (14,354,998)        | (3,516,017)               | (24,374,024)      | -                   | (42,245,039) |
| 31 December 2016                    | 18,441,571           | 211,621,585         | 125,058,410               | 2,985,663         | -                   | 358,107,229  |
| <b>Net book value</b>               |                      |                     |                           |                   |                     |              |
| 31 December 2016                    | 4,263,130            | 65,097,323          | 40,189,077                | 20,926,283        | -                   | 130,475,813  |



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Director

As at 30 June 2017, the Company premises and office equipment have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 305 million (31 December 2016: Baht 304 million).

## 11. Intangible assets

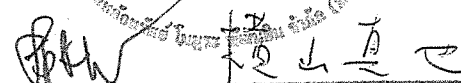
(Unit: Baht)

|   | Remaining<br>amortisation<br>period | For the six-month period ended 30 June 2017 |             |             |              |                      |
|---|-------------------------------------|---|-------------|-------------|--------------|----------------------|
|   |                                     | Balance                                     | Increase/   | Amortised   | Disposals/   | Balance              |
|   |                                     | beginning of<br>the period                  | transfer in |             | transfer out | end of<br>the period |
| Computer software   | 0 - 4.75 years                      | 22,582,992                                  | 275,265     | -           | -            | 22,858,257           |
| Software in progress  |                                     | 2,557,097                                   | 1,958,285   | -           | (75,935)     | 4,439,447            |
| Total intangible assets                                       |                                     | 25,140,089                                  | 2,233,550   | -           | (75,935)     | 27,297,704           |
| Less: Accumulated amortisation                                |                                     | (12,441,979)                                | -           | (1,927,633) | -            | (14,369,612)         |
| Net intangible assets   |                                     | 12,698,110                                  | 2,233,550   | (1,927,633) | (75,935)     | 12,928,092           |
| Amortisation expenses for the six-month periods ended 30 June |                                     |   |             |             |              |                      |
| 2016  |                                     |   |             |             |              | 2,048,441            |
| 2017  |                                     |   |             |             |              | 1,927,633            |

(Unit: Baht)

|                                | Remaining<br>amortisation<br>period | For the year ended 31 December 2016 |             |             |              |                    |
|--------------------------------|-------------------------------------|-------------------------------------|-------------|-------------|--------------|--------------------|
|                                |                                     | Balance                             | Increase/   | Amortised   | Disposals/   | Balance            |
|                                |                                     | beginning of<br>the year            | transfer in |             | transfer out | end of<br>the year |
| Computer software              | 0 - 4.85 years                      | 19,746,712                          | 2,836,280   | -           | -            | 22,582,992         |
| Software in progress           |                                     | 2,644,933                           | 1,240,818   | -           | (1,328,654)  | 2,557,097          |
| Total intangible assets        |                                     | 22,391,645                          | 4,077,098   | -           | (1,328,654)  | 25,140,089         |
| Less: Accumulated amortisation |                                     | (8,307,284)                         | -           | (4,134,695) | -            | (12,441,979)       |
| Net intangible assets          |                                     | 14,084,361                          | 4,077,098   | (4,134,695) | (1,328,654)  | 12,698,110         |

Signed :



Director



12. Deferred tax assets/liabilities and income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

|   | (Unit: Baht)                                 |                   |  |                   |
|---|--|-------------------|--|-------------------|
|   | For the three-month<br>periods ended 30 June |                   | For the six-month<br>periods ended 30 June |                   |
|   | 2017   | 2016              | 2017                                       | 2016              |
| <b>Current income tax:</b>  |  |                   |  |                   |
| Interim corporate income tax  | 46,891,176                                   | 25,234,127        | 58,570,860                                 | 27,291,933        |
| Adjustment in respect of income tax<br>of prior period                          | 20,401                                       | (23,585)          | 20,401                                     | (23,585)          |
| <b>Deferred tax:</b>  |  |                   |  |                   |
| Relating to origination and reversal of temporary<br>differences                | (3,444,491)                                  | (5,920,751)       | 11,130,812                                 | 14,114,091        |
| <b>Income tax expense reported in the<br/>statement of comprehensive income</b> | <u>43,467,086</u>                            | <u>19,289,791</u> | <u>69,722,073</u>                          | <u>41,382,439</u> |

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

|  | (Unit: Baht)                                 |                  |  |                  |
|--|--|------------------|--|------------------|
|  | For the three-month<br>periods ended 30 June |                  | For the six-month<br>periods ended 30 June |                  |
|  | 2017   | 2016             | 2017                                       | 2016             |
| Deferred tax relating to gain (loss) on<br>re-measuring available-for-sale investments | (320,938)                                    | 474,335          | (364,747)                                  | 393,839          |
| Deferred tax relating to actuarial loss  | -  | 2,553,348        | -  | 2,553,348        |
|  | <u>(320,938)</u>                             | <u>3,027,683</u> | <u>(364,747)</u>                           | <u>2,947,187</u> |

  
 Signed :   
 Director



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Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rates for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

|   | (Unit: Baht)                                 |             |  |             |
|---|--|-------------|--|-------------|
|   | For the three-month<br>periods ended 30 June |             | For the six-month<br>periods ended 30 June |             |
|   | 2017   | 2016        | 2017                                       | 2016        |
| Accounting profit before tax  | 216,889,277                                  | 100,393,688 | 362,505,564                                | 210,026,611 |
| Applicable tax rate   | 20 percent                                   | 20 percent  | 20 percent                                 | 20 percent  |
| Accounting profit before tax multiplied by applicable tax rate        | 43,377,855                                   | 20,078,738  | 72,501,113                                 | 42,005,322  |
| Adjustment in respect of income tax of prior period                   | 20,401                                       | (23,585)    | 20,401                                     | (23,585)    |
| Effects of:   |  |             |  |             |
| Non-deductible expense  | 169,774                                      | 142,609     | 341,979                                    | 317,814     |
| Non-taxable income  | (118,466)                                    | (898,455)   | (118,466)                                  | (898,455)   |
| Additional expense deductions allowed                                 | 17,522                                       | (9,516)     | (3,022,954)                                | (18,657)    |
| Total   | 68,830                                       | (765,362)   | (2,799,441)                                | (599,298)   |
| Income tax expenses reported in the statement of comprehensive income | 43,467,086                                   | 19,289,791  | 69,722,073                                 | 41,382,439  |

The components of deferred tax assets and deferred tax liabilities are as follows:

|   | (Unit: Baht) |                  |
|---|--------------|------------------|
|   | 30 June 2017 | 31 December 2016 |
| <b>Deferred tax assets</b>                                      |              |                  |
| Allowance for impairment of investments                         | 1,844,719    | 1,844,719        |
| Allowance for impairment of property foreclosed                 | 5,570,240    | 5,570,240        |
| Allowance for doubtful accounts/allowance for other receivables | 1,409,028    | 1,321,959        |
| Provisions for long-term employee benefits                      | 19,186,770   | 18,413,628       |
| Accrued employee expenses                                       | 19,815,890   | 33,939,907       |
| Others  | 9,392,115    | 7,815,370        |
| Total deferred tax assets                                       | 57,218,762   | 68,905,823       |
| <b>Deferred tax liabilities</b>                                 |              |                  |
| Others  | (66,128)     | (257,630)        |
| Total deferred tax liabilities                                  | (66,128)     | (257,630)        |
| Net deferred tax assets   | 57,152,634   | 68,648,193       |

Signed:   
  
 Director

### 13. Other assets

|   | (Unit: Baht)       |                    |
|---|--------------------|--------------------|
|   | 30 June 2017       | 31 December 2016   |
| Loans to employees  | 62,906,295         | 70,277,129         |
| Contribution for Securities Clearing Fund                                   | 64,409,215         | 60,533,229         |
| Prepaid expenses  | 30,176,333         | 21,097,990         |
| Deposits  | 17,775,670         | 17,823,086         |
| Property foreclosed<br>(net of allowance for impairment of Baht 28 million) | 15,000,000         | 15,000,000         |
| Accrued interest receivables  | 1,360,212          | 1,431,814          |
| Deposit for derivative business   | 5,000,000          | 5,000,000          |
| Fees and service income receivables   | 35,180,492         | 11,004,215         |
| Others  | 5,080,786          | 5,452,294          |
| <b>Total other assets</b>   | <b>236,889,003</b> | <b>207,619,757</b> |

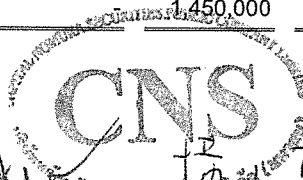

### 14. Borrowings from financial institutions

As at 30 June 2017 and 31 December 2016, borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

|   | (Unit: Thousand Baht)        |                     |                  |                |                  |
|---|------------------------------|---------------------|------------------|----------------|------------------|
|   | 30 June 2017                 |                     |                  |                |                  |
| Interest rate<br>per annum<br>(percent)             | Remaining period to maturity |                     |                  | Total          |                  |
|   | At call                      | Less than<br>1 year | 1 - 5 years      |                |                  |
| Promissory notes                                    | 1.675-1.700                  | 550,000             | 500,000          | -              | 1,050,000        |
| Borrowings  |                              |                     |                  |                |                  |
| Borrowings (THB)                                    | 2.41-3.08                    | -                   | 700,000          | 300,000        | 1,000,000        |
| <b>Total borrowings from financial institutions</b> |                              | <b>550,000</b>      | <b>1,200,000</b> | <b>300,000</b> | <b>2,050,000</b> |

|   | (Unit: Thousand Baht)        |                     |                  |                |                  |
|---|------------------------------|---------------------|------------------|----------------|------------------|
|   | 31 December 2016             |                     |                  |                |                  |
| Interest rate<br>per annum<br>(percent)             | Remaining period to maturity |                     |                  | Total          |                  |
|   | At call                      | Less than<br>1 year | 1 - 5 years      |                |                  |
| Promissory notes                                    | 1.675 - 1.676                | -                   | 750,000          | -              | 750,000          |
| Borrowings  |                              |                     |                  |                |                  |
| Borrowings (THB)                                    | 2.41 - 3.08                  | -                   | 700,000          | 600,000        | 1,300,000        |
| <b>Total borrowings from financial institutions</b> |                              |                     | <b>1,450,000</b> | <b>600,000</b> | <b>2,050,000</b> |

Signed :

  
  
 Director

As at 30 June 2017, the above borrowings of Baht 1,000 million (31 December 2016 : Baht 1,300 million) are borrowings from domestic bank and the Bangkok branch of the overseas banks, with maturities of 2-3 years counting from contract date. The interest is carried at fixed rates per annum, payable as specified in the loan agreements. The loan agreements contain conditions whereby the Company is obliged to pay unwinding fees arising as a result of the Company terminating the agreements or prepaying the borrowings before the maturity date, which is calculated based on the conditions as specified in the loan agreements.



**15. Payables to Clearing House and broker-dealers**

|   | (Unit: Baht)       |                   |
|---|--------------------|-------------------|
|   | 30 June 2017       | 31 December 2016  |
| Payables to Clearing House                          |                    |                   |
| Equity and debt securities                          | 103,410,863        | 70,323,678        |
| Derivatives   | 678,608            | 513,566           |
| Payables from foreign companies                     | 19,449             | -                 |
| Total payables to Clearing House and broker-dealers | <u>104,108,920</u> | <u>70,837,244</u> |

**16. Securities and derivatives business payables**

|   | (Unit: Baht)         |                      |
|---|----------------------|----------------------|
|   | 30 June 2017         | 31 December 2016     |
| <u>Securities business payables</u>                     |                      |                      |
| Cash accounts   | 1,410,699,718        | 1,723,064,392        |
| Guarantee deposit payables                              | 598,211,449          | 279,565,098          |
| Payable under securities borrowing and lending business | 531,848,225          | 286,731,826          |
| Total securities business payables                      | <u>2,540,759,392</u> | <u>2,289,361,316</u> |
| Accrued interest payables                               | 3,028,149            | 3,217,670            |
| Total securities business payables                      | <u>2,543,787,541</u> | <u>2,292,578,986</u> |
| <u>Derivatives business payables</u>                    |                      |                      |
| Derivatives business payables                           | 162,080              | 1,647,037            |
| Total derivatives business payables                     | <u>162,080</u>       | <u>1,647,037</u>     |
| Net securities and derivatives business payables        | <u>2,543,949,621</u> | <u>2,294,226,023</u> |

Signed :

  
  
 Director

*Moham*

17. Provisions for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement, are as follows:

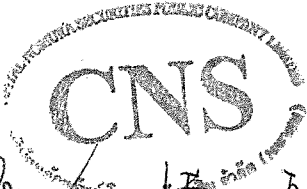

|  | (Unit: Baht)                                      |   |
|--|---|---|
|  | For the six-month<br>period ended<br>30 June 2017 | For the year<br>ended<br>31 December 2016 |
| <b>Provisions for long-term employee benefits at beginning of period</b> | 92,068,141  | 72,059,699                                |
| Included in profit or loss:  |   |   |
| Current service cost   | 3,274,064   | 5,989,128                                 |
| Interest cost  | 1,010,874   | 2,368,926                                 |
| Included in other comprehensive income:                                  |   |   |
| Actuarial loss arising from  |   |   |
| Demographic assumptions changes  | -   | (5,302,768)                               |
| Financial assumptions changes  | -   | 19,620,895                                |
| Experience adjustments   | -   | (1,551,389)                               |
| Benefits paid during the period  | <u>(419,228)</u>                                  | <u>(1,116,350)</u>                        |
| <b>Provisions for long-term employee benefits at end of period</b>       | <u>95,933,851</u>                                 | <u>92,068,141</u>                         |

Long-term employee benefit expenses included in the profit or loss are as follows:

|   | (Unit: Baht)     |                  |
|---|------------------|------------------|
|   | 2017             | 2016             |
| Current service cost                              | 3,274,064        | 2,741,286        |
| Interest cost                                     | 1,010,874        | 1,377,990        |
| <b>Total expense recognised in profit or loss</b> | <u>4,284,938</u> | <u>4,119,276</u> |

The Company has obligation relating to long-term employee benefits expected to be paid to its employees in the next one year amount of Baht 0.2 million.

As at 30 June 2017, the weighted average duration of the liabilities for long-term employee benefit was 17 years.

  
 Signed:   
 Director

Significant actuarial assumptions are summarised below:

|                       | 30 June 2017  | 31 December 2016  |
|-----------------------|---|---|
| Discount rate         | 2.10 - 2.16 percent per annum                                 | 2.10 - 2.16 percent per annum                                 |
| Salary increase rate  | 5 - 7 percent per annum                                       | 5 - 7 percent per annum                                       |
| Average turnover rate | 3 - 25 percent per annum based on employee's year of services | 3 - 25 percent per annum based on employee's year of services |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 June 2017 and 31 December 2016 are summarised below:

(Unit: Million Baht)

|                      | 30 June 2017  |               | 31 December 2016 |               |
|----------------------|---------------|---------------|------------------|---------------|
|                      | Increase 0.5% | Decrease 0.5% | Increase 0.5%    | Decrease 0.5% |
| Discount rate        | (4.6)         | 5.0           | (4.6)            | 5.0           |
| Salary increase rate | 5.0           | (4.7)         | 4.6              | (4.3)         |

(Unit: Million Baht)

|                       | 30 June 2017 |              | 31 December 2016 |              |
|-----------------------|--------------|--------------|------------------|--------------|
|                       | Increase 10% | Decrease 10% | Increase 10%     | Decrease 10% |
| Average turnover rate | (3.7)        | 4.0          | (3.3)            | 3.6          |

#### 18. Other liabilities

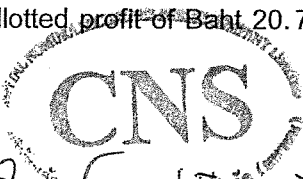
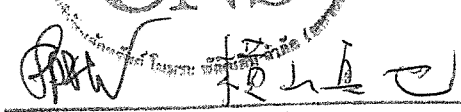
(Unit: Baht)

|                           | 30 June 2017       | 31 December 2016   |
|---------------------------|--------------------|--------------------|
| Accrued employee expenses | 100,541,865        | 171,777,398        |
| Accrued interest expenses | 9,608,529          | 12,845,874         |
| Accrued expenses          | 58,694,212         | 49,629,035         |
| Others                    | 32,756,367         | 32,995,805         |
| Total other liabilities   | <u>201,600,973</u> | <u>267,248,112</u> |

#### 19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2016, the Company allotted profit of Baht 20.7 million to the statutory reserve.

  
 Signed:   
 Director

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## 20. Capital Management

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital in accordance with the rules laid down by the Office of the Securities and Exchange Commission.

## 21. Brokerage fee income

(Unit: Baht)

|   | For the three-month periods<br>ended 30 June |             | For the six-month periods<br>ended 30 June |             |
|---|--|-------------|--|-------------|
|   | 2017   | 2016        | 2017                                       | 2016        |
| Brokerage fee from securities business  | 170,095,618                                  | 173,007,640 | 404,680,307                                | 371,245,483 |
| Brokerage fee from derivatives business | 8,200,508                                    | 15,132,396  | 19,098,584                                 | 31,738,412  |
| Total brokerage fees income             | 178,296,126                                  | 188,140,036 | 423,778,891                                | 402,983,895 |

## 22. Fees and service income

(Unit: Baht)


|                                  | For the three-month periods<br>ended 30 June |            | For the six-month periods<br>ended 30 June |             |
|----------------------------------|--|------------|--|-------------|
|                                  | 2017   | 2016       | 2017                                       | 2016        |
| Underwriting fee                 | 8,847,275                                    | 7,171,500  | 15,127,025                                 | 14,817,300  |
| Financial advisory               | 2,800,000                                    | 1,820,000  | 8,510,000                                  | 2,720,000   |
| Selling agent                    | 59,219,395                                   | 27,574,184 | 137,192,874                                | 35,666,870  |
| Securities borrowing and lending | 4,941,454                                    | 5,109,611  | 10,264,655                                 | 11,731,440  |
| Business support                 | 6,927,659                                    | 27,394,052 | 14,413,223                                 | 44,001,526  |
| Others                           | 1,030,871                                    | 1,078,115  | 1,282,016                                  | 1,619,266   |
| Total fees and service income    | 83,766,654                                   | 70,147,462 | 186,789,793                                | 110,556,402 |

## 23. Gain and return on financial instruments

(Unit: Baht)

|  | For the three-month periods<br>ended 30 June |            | For the six-month periods<br>ended 30 June |            |
|--|--|------------|--|------------|
|  | 2017   | 2016       | 2017                                       | 2016       |
| Gain on securities                             | 138,852,874                                  | 10,084,664 | 136,435,244                                | 28,967,345 |
| Gain (loss) on derivatives                     | 5,064,605                                    | (900)      | 16,535,817                                 | (1,100)    |
| Interest and dividend                          | 15,433,202                                   | 17,532,368 | 29,759,321                                 | 34,269,707 |
| Total gain and return on financial instruments | 159,350,681                                  | 27,616,132 | 182,730,382                                | 63,235,952 |

Signed :

  
Director

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**24. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E 2530. Both the employees and the Company contribute to the fund monthly at the rate of 5 - 10 percent of basic salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon termination in accordance with the fund rules.

During the six-month period ended 30 June 2017, the Company contributed Baht 13.6 million (2016: Baht 13.0 million) to the fund.

In addition to the contributory registered provident fund, the Company has established a provision for an additional plan for employees who work with the Company for over 5 years and over 10 years. The plan is unfunded and is provided only for employees who joined the Company prior to 15 July 1986. Liabilities under this plan have been presented as part of "Other liabilities".

**25. Earnings per share**



Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares outstanding during the period.

**26. Dividends**

During the periods, the Company declared the following dividends for payment to shareholders:

|  | Approved by   | Total dividend<br>declaration<br>(Million Baht) | Dividend<br>declaration<br>per share<br>(Baht)                           |
|--|---|---|--|
| Dividends from the operating results for the year ended 31 December 2016 | The annual ordinary meeting of the Company's shareholders No. 1/2560 on 26 April 2017 | 387   | 0.18<br>(from 2,150,469,000 ordinary shares at par value of Baht 1 each) |
| Dividends from the operating results for the year ended 31 December 2015 | The annual ordinary meeting of the Company's shareholders No. 1/2559 on 25 April 2016 | 387   | 0.18<br>(from 2,150,469,000 ordinary shares at par value of Baht 1 each) |

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 Director

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## 27. Related party transactions

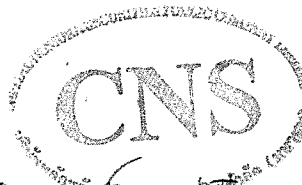
During the periods, the Company had significant business transactions with the following related parties.

| Related parties                          | Relationship                     |
|--|----------------------------------|
| Nomura Singapore Limited                 | Having common major shareholders |
| Nomura Securities Co., Ltd.              | Having common major shareholders |
| Nomura International (Hong Kong) Limited | Having common major shareholders |
| Nomura International Plc.                | Having common major shareholders |
| Instinet Pacific Limited                 | Having common major shareholders |
| United Information Highway Co., Ltd.     | Having common director           |



Such transactions with its related companies were concluded on the commercial terms and based agree upon by the Company and those companies in the ordinary course of business.

The significant transactions are summarised below.

|   | (Unit: Baht)                                 |           |  |            | Pricing policies<br>(for the period 2017)   |
|---|--|-----------|--|------------|---|
|   | For the three-month<br>periods ended 30 June |           | For the six-month<br>periods ended 30 June |            |   |
|   | 2017   | 2016      | 2017                                       | 2016       |   |
| <b><u>Transactions occurred during the periods</u></b>            |  |           |  |            |   |
| <b>Brokerage fees income</b>                                      |  |           |  |            |   |
| - Nomura Singapore Limited  | -  | 6,119     | 218  | 146,294    | At normal rate charged to other clients     |
| - Nomura International Plc.                                       | 10,095                                       | 257,839   | 38,179                                     | 267,702    | At normal rate charged to other clients     |
| - Instinet Pacific Limited  | 20,557,373                                   | 8,400,793 | 48,993,679                                 | 20,534,144 | At normal rate charged to other clients     |
| <b>Fees income from business support services</b>                 |  |           |  |            |   |
| - Nomura Singapore Limited  | 4,020,000                                    | 3,900,000 | 8,040,000                                  | 7,800,000  | At actual costs plus a margin of 10 percent |
| <b>Fees income from international investment banking services</b> |  |           |  |            |   |
| - Nomura Singapore Limited  | 6,496,000                                    | 5,200,000 | 9,961,564                                  | 11,500,000 | At actual costs plus a margin of 10 percent |



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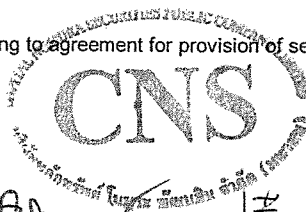
 

Director

(Unit: Baht)

|   | For the three-month<br>periods ended 30 June |            | For the six-month<br>periods ended 30 June |            | Pricing policies<br>(for the period 2017)  |
|---|--|------------|--|------------|--|
|   | 2017   | 2016       | 2017                                       | 2016       |  |
| <b><u>Transactions occurred during<br/>the period (continued)</u></b> |  |            |  |            |  |
| Fees income from introducing<br>broker                                |  |            |  |            |  |
| - Nomura Singapore Limited  | 809,177                                      | 892,357    | 1,008,135                                  | 1,373,816  | Based on actual executed<br>transactions of our<br>referred customers and at<br>the rate as indicate in the<br>agreement referred to<br>similar business |
| Fees income from securities<br>borrowing and lending                  |  |            |  |            |  |
| - Nomura International Plc.   | 6,260  | 177,514    | 18,214                                     | 201,671    | At normal rate charged to<br>other clients   |
| - Instinet Pacific Limited  | 25,163                                       | 15,941     | 61,335                                     | 68,490     | At normal rate charged to<br>other clients   |
| Fees income from other services                                       |  |            |  |            |  |
| - Nomura Securities Co.,<br>Ltd.                                      | 6,092,400                                    | 6,414,400  | 6,092,400                                  | 6,414,400  | At the contract rate<br>determined by extend and<br>amount of work assigned  |
| - Nomura International<br>(Hong Kong) Limited                         | 175,642                                      | 1,540,998  | 175,642                                    | 1,540,998  | At the contract rate<br>determined by extend and<br>amount of work assigned  |
| - Nomura Singapore Limited  | -  | 43,367     | -  | 43,367     | At the contract rate<br>determined by extend and<br>amount of work assigned  |
| Fee income from sales and<br>trading services and research            |  |            |  |            |  |
| - Nomura Singapore Limited  | (9,680,741) <sup>1</sup>                     | 10,419,021 | (9,680,741) <sup>1</sup>                   | 16,826,496 | At actual costs plus a margin<br>of 10 percent net with the<br>brokerage commission<br>received  |
| Fee income from late delivery   |  |            |  |            |  |
| - Instinet Pacific Limited  | 1,028,204                                    | 154,920    | 1,038,839                                  | 189,134    | At normal rate charged to<br>other clients   |
| Fee expenses from Hi-speed<br>circuit service                         |  |            |  |            |  |
| - United Information<br>Highway Co., Ltd.                             | 545,784                                      | 546,360    | 1,093,358                                  | 1,158,839  | At the same rate charged to<br>other clients without<br>dependent interest   |

Remark : <sup>1</sup> Refund of over receipt of service fee relating to agreement for provision of services.



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Director

(Unit: Baht)

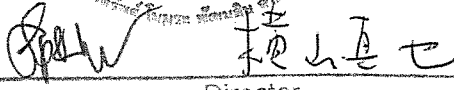
|   | For the three-month<br>periods ended 30 June                   |       | For the six-month<br>periods ended 30 June |        | Pricing policies<br>(for the period 2017)  |
|---|--|-------|--|--------|--|
|   | 2017   | 2016  | 2017                                       | 2016   |  |
|   | <b>Transactions occurred during<br/>the period (continued)</b> |       |  |        |  |
| Brokerage fees expense from<br>foreign securities trading     |  |       |  |        |  |
| - Nomura Singapore Limited                                    | 8,604  | 8,843 | 17,078                                     | 17,732 | Calculated based on trade<br>volume and at the<br>referential rate charged to<br>other clients without<br>dependent interest |
| Funding cost from trading fixed<br>income in foreign currency |  |       |  |        |  |
| - Nomura Singapore Limited                                    | -  | -     | 1,012                                      | 718    | At normal rate charged to<br>other clients   |
| Interest received from loans to<br>employees                  |  |       |  |        |  |
| - Director  | 1,237  | 2,377 | 2,745                                      | 5,033  | At the same rate charged to<br>other Company's staffs  |

As at 30 June 2017 and 31 December 2016, the outstanding balances of the related party transactions are as follows:

|  | (Unit: Baht) |                  |
|--|--------------|------------------|
|  | 30 June 2017 | 31 December 2016 |
| Securities business receivables                                |              |                  |
| - Instinet Pacific Limited                                     | 388,882,037  | 285,380,657      |
| Other assets - accrued income receivables                      |              |                  |
| - Nomura International (Hong Kong) Limited                     | 175,642      | 69,874           |
| - Nomura Singapore Limited                                     | 7,857,282    | 3,511,542        |
| Other assets - loan to employees                               |              |                  |
| - Director   | 283,485      | 436,697          |
| Other assets - Securities borrowing and<br>Lending receivables |              |                  |
| - Nomura International Plc.                                    | -            | 18,216           |
| - Instinet Pacific Limited                                     | 4,103        | 21,430           |
| Other assets - others  |              |                  |
| - Instinet Pacific Limited                                     | -            | 74,472           |
| - Nomura Singapore Limited                                     | 113,683      | 818,172          |
| - Nomura Securities Co., Ltd.                                  | 27,600       | 592,709          |
| Securities business payables                                   |              |                  |
| - Instinet Pacific Limited                                     | 430,721,680  | 194,285,031      |

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Signed :



Director

M. Ahmed

## Management's remuneration

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

|                              | For the three-month<br>periods ended 30 June |            | For the six-month<br>periods ended 30 June |            |
|------------------------------|--|------------|--|------------|
|                              | 2017   | 2016       | 2017                                       | 2016       |
| Short-term employee benefits | 29,898,051                                   | 22,683,765 | 49,837,339                                 | 46,151,493 |
| Post-employment benefits     | 1,200,033                                    | 1,443,395  | 2,400,066                                  | 2,882,389  |
| Total                        | 31,098,084                                   | 24,127,160 | 52,237,405                                 | 49,033,882 |

## 28. Operating information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services and have four reportable segments as follows:

- Securities business segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Fixed Income segment, which provide service according to trading debt securities.
- Other segments, which provide support services and operating management.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The following tables present revenue and profit and total assets regarding the Company operating segments information as at 30 June 2017 and 31 December 2016, and for the three-month and six-month periods ended 30 June 2017 and 2016 of the Company by segment.

Signed :

  
Director

(Unit: Million Baht)

## For the three-month periods ended 30 June

|  | Securities business segment |      | Investments banking segment |      | Fixed income segment |      | Other segments |      | Total |      |
|--|-----------------------------|------|-----------------------------|------|----------------------|------|----------------|------|-------|------|
|  | 2017                        | 2016 | 2017                        | 2016 | 2017                 | 2016 | 2017           | 2016 | 2017  | 2016 |
|  | Total revenue               | 231  | 231                         | 25   | 22                   | 7    | 13             | 7    | 5     | 270  |
| Segment operating income                 | 55                          | 68   | 18                          | 8    | -                    | 6    | 3              | -    | 76    | 82   |
| Unallocated income (expenses)            |                             |      |                             |      |                      |      |                |      |       |      |
| Interest on margin loans                 |                             |      |                             |      |                      |      |                |      | 85    | 91   |
| Gain and return on financial instruments |                             |      |                             |      |                      |      |                |      | 152   | 15   |
| Other income                             |                             |      |                             |      |                      |      |                |      | 2     | 1    |
| Financial costs                          |                             |      |                             |      |                      |      |                |      | (19)  | (21) |
| Operating expenses                       |                             |      |                             |      |                      |      |                |      | (79)  | (68) |
| Income tax                               |                             |      |                             |      |                      |      |                |      | (44)  | (19) |
| Profit for the period                    |                             |      |                             |      |                      |      |                |      | 173   | 81   |

(Unit: Million Baht)

## For the six-month periods ended 30 June

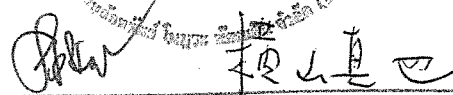
|  | Securities business segment |      | Investments banking segment |      | Fixed income segment |      | Other segments |      | Total |       |
|--|-----------------------------|------|-----------------------------|------|----------------------|------|----------------|------|-------|-------|
|  | 2017                        | 2016 | 2017                        | 2016 | 2017                 | 2016 | 2017           | 2016 | 2017  | 2016  |
|  | Total revenue               | 559  | 466                         | 40   | 37                   | 17   | 36             | 12   | 10    | 628   |
| Segment operating income                 | 178                         | 147  | 20                          | 7    | 3                    | 17   | 5              | 2    | 206   | 173   |
| Unallocated income (expenses)            |                             |      |                             |      |                      |      |                |      |       |       |
| Interest on margin loans                 |                             |      |                             |      |                      |      |                |      | 176   | 177   |
| Gain and return on financial instruments |                             |      |                             |      |                      |      |                |      | 166   | 30    |
| Other income                             |                             |      |                             |      |                      |      |                |      | 3     | 9     |
| Financial costs                          |                             |      |                             |      |                      |      |                |      | (40)  | (44)  |
| Operating expenses                       |                             |      |                             |      |                      |      |                |      | (148) | (135) |
| Income tax                               |                             |      |                             |      |                      |      |                |      | (70)  | (41)  |
| Profit for the period                    |                             |      |                             |      |                      |      |                |      | 293   | 169   |

(Unit: Million Baht)

## As at

|                    | Securities and derivatives brokerage segment |                  | Investments banking segment |                  | Fixed income segment |                  | Other segments |                  | Total        |                  |
|--------------------|--|------------------|-----------------------------|------------------|----------------------|------------------|----------------|------------------|--------------|------------------|
|                    | 30 June 2017                                 | 31 December 2016 | 30 June 2017                | 31 December 2016 | 30 June 2017         | 31 December 2016 | 30 June 2017   | 31 December 2016 | 30 June 2017 | 31 December 2016 |
|                    | Premises and equipment - net                 |                  |                             |                  |                      |                  |                |                  |              | 112              |
| Unallocated assets |  |                  |                             |                  |                      |                  |                |                  | 10,328       | 10,199           |
| Total assets       |  |                  |                             |                  |                      |                  |                |                  | 10,440       | 10,329           |

Signed :



Director

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## Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customers

For the three-month and six-month periods ended 30 June 2017 and 2016, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

## 29. Commitments and contingent liabilities


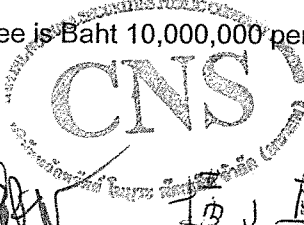

As at 30 June 2017 and 31 December 2016, the Company has the following outstanding commitments and contingent liabilities.

- 29.1 The Company has the following outstanding commitments under the lease agreements for its office building and motor vehicles, under which the Company is to pay rental and service fees in the future, counting from the period end date, as follows.

|               | (Unit: Million Baht) |                  |
|---------------|----------------------|------------------|
|               | 30 June 2017         | 31 December 2016 |
| Within 1 year | 47                   | 54               |
| In 1-2 years  | 16                   | 26               |
| Over 2 years  | 18                   | 20               |

- 29.2 The Company has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 29.3 The Company has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.
- 29.4 The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licenses at the rate of 0.001 percent of its trading volume in the Stock Exchange of Thailand. For commission received from securities trading, underwriting and others which the Company has licenses, the fee is charged at the rate of 1 percent of income from the aforesaid activities. For securities trading of funds, the fee is charged at the rate of 0.001 percent of sale volume of funds. The minimum total fee is Baht 100,000 per annum and the maximum total fee is Baht 10,000,000 per annum.

Signed :

  
  
  
Director

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29.5 The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to derivatives business licenses at the rate of Baht 0.10 per contract and Baht 0.01 per contract for single stock futures with underlying price not over Baht 100. The minimum total fee is Baht 100,000 per annum and the maximum total fee is Baht 1,000,000 per annum.

29.6 As at 30 June 2017, there has been a criminal lawsuit brought by an individual against the Company accusing the Company for fraud and violation of the Securities and Exchange Act B.E. 2535, without any claim for civil compensation. The case is still pending trial in the court of first instance. Therefore, the Company has not yet set aside any provision for loss in the accounts.

### 30. Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 30.1 Risk management policy

The Company's financial instruments principally comprise cash and cash equivalents, receivables/payables from clearing house and broker-dealers, securities and derivatives business receivables/payables, investments, loans to employees and borrowings from financial institutions. The financial risks associated with these financial instruments and how they are managed is described below.

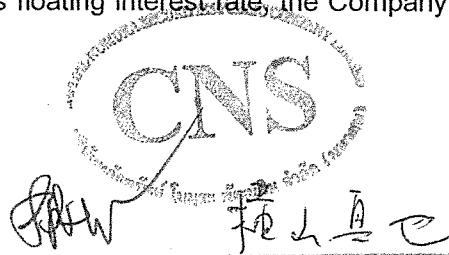
#### 30.2 Credit risk

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivable from Clearing House, securities and derivatives business receivables and loans to employees as stated in the statements of financial position.

#### 30.3 Interest rate risk

Interest rate risk refers to the risk that the value of financial asset and financial liabilities may change from the market interest rate. However, since most of the Company's financial assets and liabilities will mature in 1 year or has floating interest rate, the Company's interest rate risk is expected to be low.

Signed :



Director

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As at 30 June 2017 and 31 December 2016 classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)


| 30 June 2017                                      |                        |   |             |                  |       |                        |                     |
|---|------------------------|---|-------------|------------------|-------|------------------------|---------------------|
| Outstanding balances of financial instruments     |                        |   |             |                  |       |                        |                     |
|   | Floating interest rate | Fixed interest rate which the remaining period before maturity date or end of contract date |             | Without interest | Total | Interest rate          |                     |
|   |                        | Within 1 year   | 1 - 5 years |                  |       | Floating interest rate | Fixed interest rate |
|   |                        |   |             |                  |       | % p.a.                 | % p.a.              |
| <b>Financial assets</b>                           |                        |   |             |                  |       |                        |                     |
| Cash and cash equivalents                         | 247                    | -   | -           | -                | 247   | 0.05-1.00              | -                   |
| Receivable from Clearing House and broker-dealers | -                      | -   | -           | 104              | 104   | -                      | -                   |
| Securities and derivatives business receivables   | 6,590                  | 532   | -           | 2,448            | 9,570 | 5.06 - 6.06            | 3.50                |
| Investments                                       | -                      | 13  | -           | 67               | 80    | -                      | 1.365-1.492         |
| Loans to employees                                | 63                     | -   | -           | -                | 63    | 1.50                   | -                   |
| <b>Financial liabilities</b>                      |                        |   |             |                  |       |                        |                     |
| Borrowings from financial institutions            | -                      | 1,750   | 300         | -                | 2,050 | -                      | 1.675 - 3.08        |
| Payables to Clearing House and broker-dealers     | -                      | -   | -           | 104              | 104   | -                      | -                   |
| Securities and derivatives business payables      | -                      | 532   | -           | 2,009            | 2,541 | -                      | 2.50                |

(Unit: Million Baht)

| 31 December 2016                                  |                        |   |             |                  |       |                        |                     |
|---|------------------------|---|-------------|------------------|-------|------------------------|---------------------|
| Outstanding balances of financial instruments     |                        |   |             |                  |       |                        |                     |
|   | Floating interest rate | Fixed interest rate which the remaining period before maturity date or end of contract date |             | Without interest | Total | Interest rate          |                     |
|   |                        | Within 1 year   | 1 - 5 years |                  |       | Floating interest rate | Fixed interest rate |
|   |                        |   |             |                  |       | % p.a.                 | % p.a.              |
| <b>Financial assets</b>                           |                        |   |             |                  |       |                        |                     |
| Cash and cash equivalents                         | 434                    | -   | -           | 4                | 438   | 0.05 - 1.00            | -                   |
| Receivable from Clearing House and broker-dealers | -                      | -   | -           | 468              | 468   | -                      | -                   |
| Securities and derivatives business receivables   | 6,950                  | 287   | -           | 1,554            | 8,791 | 5.19 - 6.19            | 3.50                |
| Investments                                       | -                      | 14  | -           | 174              | 188   | -                      | 1.42 - 1.52         |
| Loans to employees                                | 70                     | -   | -           | -                | 70    | 1.50                   | -                   |
| <b>Financial liabilities</b>                      |                        |   |             |                  |       |                        |                     |
| Borrowings from financial institutions            | -                      | 1,450   | 600         | -                | 2,050 | -                      | 1.675 - 3.08        |
| Payables to Clearing House and broker-dealers     | -                      | -   | -           | 71               | 71    | -                      | -                   |
| Securities and derivatives business payables      | -                      | 287   | -           | 2,002            | 2,289 | -                      | 2.50                |

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Director





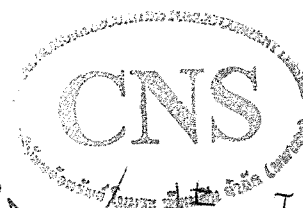
### 30.4 Liquidity risk


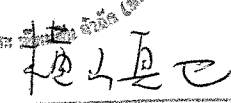
Liquidity risk is the risk that the Company will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss.

Counting from the reporting date, as at 30 June 2017 and 31 December 2016, the periods to the maturity dates of financial instruments are as follows.

(Unit: Million Baht)

|  | 30 June 2017                                  |                  |                |                 |             | Total |
|--|---|------------------|----------------|-----------------|-------------|-------|
|  | Outstanding balances of financial instruments |                  |                |                 |             |       |
|  | At call                                       | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | Unspecified |       |
| <b>Financial assets</b>                              |   |                  |                |                 |             |       |
| Cash and cash equivalents                            | 247   | -                | -              | -               | -           | 247   |
| Receivable from Clearing House and<br>broker-dealers | -   | 104              | -              | -               | -           | 104   |
| Securities and derivatives business<br>receivables   |   |                  |                |                 |             |       |
| Investments  | 1,132   | 1,869            | -              | -               | 6,590       | 9,591 |
| Loans to employees                                   | 62  | 13               | -              | -               | 5           | 80    |
| <b>Financial liabilities</b>                         |   |                  |                |                 |             |       |
| Borrowings from financial institutions               |   |                  |                |                 |             |       |
| Payables to Clearing House and<br>broker-dealers     | 550   | 1,200            | 300            | -               | -           | 2,050 |
| Securities and derivatives business<br>payables      |   |                  |                |                 |             |       |
|  | -   | 104              | -              | -               | -           | 104   |
| Borrowings   | 1,130   | 1,414            | -              | -               | -           | 2,544 |



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Director

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(Unit: Million Baht)

31 December 2016

|  | Outstanding balances of financial instruments |                  |                |                 |             | Total |
|--|---|------------------|----------------|-----------------|-------------|-------|
|  | At call                                       | Within<br>1 year | 1 - 5<br>years | Over<br>5 years | Unspecified |       |
| <b>Financial assets</b>                              |   |                  |                |                 |             |       |
| Cash and cash equivalents                            | 438   | -                | -              | -               | -           | 438   |
| Receivable from Clearing House and<br>broker-dealers | -   | 468              | -              | -               | -           | 468   |
| Securities and derivatives business                  |   |                  |                |                 |             |       |
| receivables  | 593   | 1,271            | -              | -               | 6,951       | 8,815 |
| Investments  | 168   | 14               | -              | -               | 6           | 188   |
| Loans to employees                                   | -   | -                | 11             | 59              | -           | 70    |
| <b>Financial liabilities</b>                         |   |                  |                |                 |             |       |
| Borrowings from financial institutions               | -   | 1,450            | 600            | -               | -           | 2,050 |
| Payables to Clearing House and<br>broker-dealers     | -   | 71               | -              | -               | -           | 71    |
| Securities and derivatives business                  |   |                  |                |                 |             |       |
| payables   | 566   | 1,728            | -              | -               | -           | 2,294 |

### 30.5 Foreign exchange risk

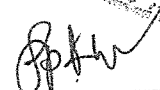

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

As at 30 June 2017 and 31 December 2016, the Company has no liabilities in foreign currency.

### 30.6 Equity position risk

The Company is exposed to equity position risk, due to the Company has investment in listed securities which will result in fluctuations in revenue or the value of financial assets.

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Director

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### 31. Fair value

As of 30 June 2017 and 31 December 2016, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:


(Unit: Thousand Baht)

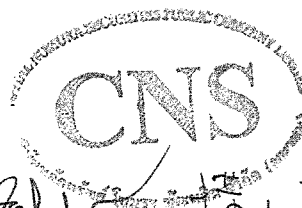
|  | 30 June 2017 |         |         | Total  |
|--|--------------|---------|---------|--------|
|  | Level 1      | Level 2 | Level 3 |        |
| <b>Financial assets measured at fair value</b> |              |         |         |        |
| Held for trade investments                     |              |         |         |        |
| Equity instruments                             | 59,770       | -       | -       | 59,770 |
| Available-for-sale investments                 |              |         |         |        |
| Unit trusts                                    | -            | 1,641   | -       | 1,641  |

(Unit: Thousand Baht)

|  | 31 December 2016 |         |         | Total  |
|--|------------------|---------|---------|--------|
|  | Level 1          | Level 2 | Level 3 |        |
| <b>Financial assets measured at fair value</b> |                  |         |         |        |
| Held for trade investments                     |                  |         |         |        |
| Equity instruments                             | 68,613           | -       | -       | 68,613 |
| Available-for-sale investments                 |                  |         |         |        |
| Unit trusts                                    | -                | 99,208  | -       | 99,208 |

As at 30 June 2017 and 31 December 2016, the Company had the financial assets and financial liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

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(Unit: Million Baht)

30 June 2017

|   | Book value | Fair value |         |         |         |
|---|------------|------------|---------|---------|---------|
|   |            | Total      | Level 1 | Level 2 | Level 3 |
| <b>Financial assets and liabilities measured at fair value</b>  |            |            |         |         |         |
| Cash and cash equivalents                                       | 247        | 247        | 247     | -       | -       |
| Receivable from Clearing House and broker-dealers               | 104        | 104        | -       | 104     | -       |
| Securities and derivatives business receivables                 | 9,591      | 9,591      | -       | 9,591   | -       |
| Investments   | 18         | 18         | 2       | 11      | 5       |
| Loans to employees  | 63         | 50         | -       | -       | 50      |
| <b>Financial liabilities for which fair value are disclosed</b> |            |            |         |         |         |
| Borrowings from financial institutions                          | 2,050      | 2,050      | -       | 2,050   | -       |
| Payables to Clearing House and broker-dealers                   | 104        | 104        | -       | 104     | -       |
| Securities and derivatives business payables - net              | 2,544      | 2,544      | -       | 2,544   | -       |


(Unit: Million Baht)

31 December 2016

|   | Book value | Fair value |         |         |         |
|---|------------|------------|---------|---------|---------|
|   |            | Total      | Level 1 | Level 2 | Level 3 |
| <b>Financial assets and liabilities measured at fair value</b>  |            |            |         |         |         |
| Cash and cash equivalents                                       | 438        | 438        | 438     | -       | -       |
| Receivable from Clearing House and broker-dealers               | 468        | 468        | -       | 468     | -       |
| Securities and derivatives business receivables                 | 8,815      | 8,815      | -       | 8,815   | -       |
| Investments   | 20         | 20         | 2       | 11      | 7       |
| Loans to employees  | 70         | 55         | -       | -       | 55      |
| <b>Financial liabilities for which fair value are disclosed</b> |            |            |         |         |         |
| Borrowings from financial institutions                          | 2,050      | 2,050      | -       | 2,050   | -       |
| Payables to Clearing House and broker-dealers                   | 71         | 71         | -       | 71      | -       |
| Securities and derivatives business payables                    | 2,294      | 2,294      | -       | 2,294   | -       |



Signed :

  
Director



Valuation techniques and inputs used for fair value measurement

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, Receivable from Clearing House and broker-dealers, Securities and derivatives business receivables, Payables to Clearing House and broker-dealers and Securities and derivatives business payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments, their fair value is generally derived from quoted market prices or based on generally accepted pricing models when no market price is available. The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of unit trusts has been determined by using the net asset value per share as announced by the fund managers. For investment in non-marketable equity securities, their fair value is based on their net book value.
- d) For loans to employees under welfare program, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- e) For Borrowings from financial institutions and Borrowings carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current period, there were no transfers within the fair value hierarchy.

**32. Approval of financial statements**

These financial statements were authorised for issue by the Company's board of directors on 28 August 2017.

Signed :

  
Director



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