

**SEAMICO SECURITIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
“UNAUDITED”**

1. GENERAL INFORMATION AND THE OPERATIONS OF THE COMPANY

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

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

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

The Company has subsidiaries as follows:

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

As at September 30, 2017 and December 31, 2016, the Company has one head office.

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

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

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

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

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

2. BASIS FOR PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 The Company prepares its interim financial statements in conformity with Thai Accounting Standard No. 34 (Revised 2016) “Interim Financial Reporting” and accounting practices generally accepted in Thailand and also the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No. 2)” which becomes effective for fiscal years beginning effective on or after January 1, 2017.

Therefore, reclassifications have been made in the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate statement of comprehensive income for the three-month and the nine-month periods ended September 30, 2016 to conform to the classifications used in the financial statement for the three-month and the nine-month periods ended September 30, 2017 as follows:

Consolidated statement of financial position as at December 31, 2016

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

Consolidated statement of comprehensive income for the three-month period ended September 30, 2016

Account name	Amount Baht	Previous classification	Current classification
Gain on investments	10,419,321	Gain on investments	Gain and return on financial instruments
Interest and dividend income	4,179,030	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	2,030,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	2,827,267	Premises and equipment expenses	Other expenses
Consulting fee	2,330,200	Consulting fee	Other expenses
Communication and information expenses	669,131	Communication and information expenses	Other expenses

Consolidated statement of comprehensive income for the nine-month period ended September 30, 2016

Account name	Amount Baht	Previous classification	Current classification
Gain on investments	51,683,728	Gain on investments	Gain and return on financial instruments
Interest and dividend income	17,142,189	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	5,279,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	8,504,371	Premises and equipment expenses	Other expenses
Consulting fee	7,568,258	Consulting fee	Other expenses
Communication and information expenses	2,051,590	Communication and information expenses	Other expenses

Separate statement of financial position as at December 31, 2016

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

Separate statement of comprehensive income for the three-month period ended September 30, 2016

Account name	Amount Baht	Previous classification	Current classification
Gain on investments	10,603,821	Gain on investments	Gain and return on financial instruments
Interest and dividend income	3,742,960	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	1,485,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	1,541,553	Premises and equipment expenses	Other expenses
Consulting fee	1,841,270	Consulting fee	Other expenses
Communication and information expenses	307,761	Communication and information expenses	Other expenses

Separate statement of comprehensive income for the nine-month period ended September 30, 2016

Account name	Amount Baht	Previous classification	Current classification
Gain on investments	51,310,389	Gain on investments	Gain and return on financial instruments
Interest and dividend income	37,978,552	Interest and dividend income	Gain and return on financial instruments
Directors' remuneration	4,014,000	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	4,657,177	Premises and equipment expenses	Other expenses
Consulting fee	6,134,977	Consulting fee	Other expenses
Communication and information expenses	926,463	Communication and information expenses	Other expenses

- 2.2 The consolidated and separate statement of financial position as at December 31, 2016, presented herein for comparison, has been derived from the financial statements for the year then ended which were audited.

Additionally, the consolidated and separate statements of comprehensive income for the three-month and the nine-month period ended September 30, 2016, and the consolidated and separate statements of changes in owners' equity and cash flows for the nine-month period ended September 30, 2016 were reviewed by auditor.

The consolidated financial statements for the three-month and the nine-month period ended September 30, 2017 and 2016 include the accounts of the Company, Solaris Asset Management Co., Ltd., and Lumpini Asset Management Co., Ltd., which the Company has a holding of 100% in their equity of both subsidiaries. Significant transactions and balances between the Company and the subsidiaries have been eliminated.

The consolidated financial statements for the three-month and the nine-month periods ended September 30, 2017 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd., Scentimental (Thailand) Co., Ltd. and Absolute Yoga Co., Ltd. and The consolidated financial statement for the three-month and the nine-month periods ended September 30, 2016 included interest in an associated company's equity which is determined from the financial statements of KT ZMICO Securities Co., Ltd. and Beacon Offshore Limited. The Company had sold all shares in Beacon Offshore Ltd. in December 2016.

In addition, during the nine-month period ended September 30, 2016, the Company has investments in Bill of Exchange issued by Phra Kanong Land Company Limited of Baht 500 million. The shareholders of such company made the agreement to pledge all of the company's ordinary shares as collateral. In addition, Phra Kanong Land Company Limited issued preferred shares to the Company, in which the preferred shares have the right to joint control with the ordinary shares to control assets of Phra Kanong Land Company Limited. As well as, the Company has representative as a director in Phra Kanong Land Company Limited and has joint control over the asset transactions.

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

- 2.3 Certain financial information which is normally included in financial statements prepared in accordance with generally accepted accounting principles, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2016.

The results of operations for the three-month periods and the nine-month periods ended September 30, 2017 are not necessarily indicative of the operation result anticipated for the full year.

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

3. NEW THAI FINANCIAL REPORTING STANDARDS

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2016.

5. CASH AND CASH EQUIVALENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
	Baht	Baht	Baht	Baht
Cash, short-term deposits and promissory notes with original maturity less than 3 months	450,033,484	389,320,536	418,912,288	360,930,111
<u>Less</u> Cash deposits held for customers*	<u>(12,254,044)</u>	<u>(12,954,955)</u>	<u>(12,161,132)</u>	<u>(12,261,955)</u>
Total cash and cash equivalents	<u>437,779,440</u>	<u>376,365,581</u>	<u>406,751,156</u>	<u>348,668,156</u>

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

As at September 30, 2017 and December 31, 2016, the Company had deposits at financial institutions held for customers in the consolidated statements of financial position in amounting to Baht 12.25 million and Baht 12.95 million, respectively, and the separate statements of financial position in amounting to Baht 12.16 million and Baht 12.26 million, respectively, which the Company must return to the customers at call.

As at September 30, 2017 and December 31, 2016, the securities business cash customers of 430 accounts and 446 accounts, respectively, which were transferred to KT ZMICO Securities Co., Ltd. (see Note 23) have not yet returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd. such customers have deposits for securities trading of Baht 4.33 million and Baht 4.43 million, respectively, and shares with the values of Baht 143.50 million and Baht 130.06 million, respectively. However, when the customers have returned the open account agreements for securities trading to KT ZMICO Securities Co., Ltd., the assets of these customers will be returned to KT ZMICO Securities Co., Ltd.

6. SECURITIES BUSINESS RECEIVABLES

The Company has securities business receivables as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	September 30, 2017	December 31, 2016
	Baht	Baht
Securities business receivables	-	4,821,854
Other receivables		
Receivables under litigation	62,654,566	62,654,566
Total securities business receivables	62,654,566	67,476,420
<u>Less</u> Allowance for doubtful accounts (see Note 7)	<u>(62,654,566)</u>	<u>(62,654,566)</u>
Total	<u>-</u>	<u>4,821,854</u>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
As at September 30, 2017			As at December 31, 2016		
Securities business receivables and accrued interest receivables Baht	Allowance for doubtful account set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht	Securities business receivables and accrued interest receivables Baht	Allowance for doubtful accounts set up by the Company Baht	Securities business receivables and accrued interest receivables - net Baht
Normal debts	-	-	4,821,854	-	4,821,854
Substandard debts	-	-	-	-	-
Doubtful debts	62,654,566	(62,654,566)	62,654,566	(62,654,566)	-
Total	<u>62,654,566</u>	<u>(62,654,566)</u>	<u>67,476,420</u>	<u>(62,654,566)</u>	<u>4,821,854</u>

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

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at September 30, 2017 Baht	As at December 31, 2016 Baht
Over 3 years	<u>62,654,566</u>	<u>62,654,566</u>
Total	<u><u>62,654,566</u></u>	<u><u>62,654,566</u></u>

7. ALLOWANCE FOR DOUBTFUL ACCOUNTS

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at September 30, 2017 Baht	As at December 31, 2016 Baht
Beginning balance of the period	62,654,566	58,607,306
Doubtful accounts	-	4,047,260
Ending balance of the period (see Note 6)	<u><u>62,654,566</u></u>	<u><u>62,654,566</u></u>

8. INVESTMENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at September 30, 2017		As at December 31, 2016	
	Cost/		Cost/	
	Book value	Fair value	Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - List securities	288,439,937	267,568,694	99,240,748	90,274,004
Debt securities - Corporate bond	25,325,889	27,132,369	25,373,346	26,824,556
Debt securities - Bill of exchange	722,911,885	636,427,074	696,546,890	702,906,321
Total	1,036,677,711	931,128,137	821,160,984	820,004,881
<u>Less</u> Revaluation adjustments	(549,574)	-	(1,156,103)	-
<u>Less</u> Allowance for impairment	(105,000,000)	-	-	-
Total trading securities	931,128,137	931,128,137	820,004,881	820,004,881
<u>Available-for-sale securities</u>				
Equity securities - List securities	7,351,996	4,565,730	76,893,631	288,327,412
<u>Add (Less)</u> Revaluation adjustments	(2,786,266)	-	211,433,781	-
Total available-for-sale securities	4,565,730	4,565,730	288,327,412	288,327,412
<u>Held to-maturity investments</u>				
Deposits at financial institutions	23,191,913	23,191,913	73,356,186	73,356,186
Total held-to-maturity investments	23,191,913	23,191,913	73,356,186	73,356,186
<u>General investments</u>				
Ordinary shares	338,032,114	270,209,645	353,533,014	300,164,731
Preference shares	125,000	125,000	125,000	125,000
Total	338,157,114	270,334,645	353,658,014	300,289,731
<u>Less</u> Allowance for impairment	(67,822,469)	-	(53,368,283)	-
Total general investments	270,334,645	270,334,645	300,289,731	300,289,731
Total investments	1,229,220,425	1,229,220,425	1,481,978,210	1,481,978,210

	SEPARATE FINANCIAL STATEMENTS			
	As at September 30, 2017		As at December 31, 2016	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
	Baht	Baht	Baht	Baht
<u>Trading securities</u>				
Equity securities - List securities	288,439,937	267,568,694	91,388,221	1,339,254
Debt securities - Corporate bond	25,325,889	27,132,369	25,373,346	1,824,556
Debt securities - Bill of exchange	694,911,885	699,932,441	646,863,367	13,130,918
Total	1,008,677,711	994,633,504	763,624,934	1,294,728
<u>Add (Less) Revaluation adjustments</u>	3,998,371	-	(1,330,206)	-
<u>Less Allowance for impairment</u>	(18,042,578)	-	-	-
Total trading securities	994,633,504	994,633,504	762,294,728	1,294,728
<u>Available-for-sale securities</u>				
Equity securities - List securities	7,351,996	4,565,730	76,893,631	18,327,412
<u>Add (Less) Revaluation adjustments</u>	(2,786,266)	-	211,433,781	-
Total available-for-sale securities	4,565,730	4,565,730	288,327,412	18,327,412
<u>Held-to-maturity investments</u>				
Deposits at financial institutions	-	-	50,356,186	50,356,186
Total held-to-maturity investments	-	-	50,356,186	50,356,186
<u>General investments</u>				
Ordinary shares	338,032,114	270,209,645	353,533,014	10,164,731
Preference shares	125,000	125,000	125,000	15,000
Total	338,157,114	270,334,645	353,658,014	10,289,731
<u>Less Allowance for impairment</u>	(67,822,469)	-	(53,368,283)	-
Total general investments	270,334,645	270,334,645	300,289,731	10,289,731
Total investments - net	1,269,533,879	1,269,533,879	1,401,268,057	401,268,057

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

As at September 30, 2017, the Company provided additional allowance for impairment of trading securities - Bill of Exchange of Baht 105 million in the consolidated financial statements and provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 18 million in the separate financial statements (see Note 9).

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

CONSOLIDATED FINANCIAL STATEMENTS

	As at September 30, 2017			Total Baht
	Within 1 year	1 - 5 years	Over 5 years	
	Baht	Baht	Baht	
Held-to-maturity investments	23,191,913	-	-	23,191,913
Total held-to-maturity investments	23,191,913	-	-	23,191,913

CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2016			Total Baht
	Within 1 year	1 - 5 years	Over 5 years	
	Baht	Baht	Baht	
Held-to-maturity investments	73,356,186	-	-	73,356,186
Total held-to-maturity investments	73,356,186	-	-	73,356,186

SEPARATE FINANCIAL STATEMENTS

	As at September 30, 2017			Total Baht
	Within 1 year	1 - 5 years	Over 5 years	
	Baht	Baht	Baht	
Held-to-maturity investments	-	-	-	-
Total held-to-maturity investments	-	-	-	-

SEPARATE FINANCIAL STATEMENTS

	As at December 31, 2016			Total Baht
	Within 1 year	1 - 5 years	Over 5 years	
	Baht	Baht	Baht	
Held-to-maturity investments	50,356,186	-	-	50,356,186
Total held-to-maturity investments	50,356,186	-	-	50,356,186

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Beginning balance of the period	175,028,622	(6,347,606)	175,028,622	(6,347,606)
Changes during the period				
- from deferred tax adjustment	42,844,009	(45,344,056)	42,844,009	(45,344,056)
- from re-measuring of investments	(214,220,047)	226,720,284	(214,220,047)	226,720,284
Ending balance of the period	<u>3,652,584</u>	<u>175,028,622</u>	<u>3,652,584</u>	<u>175,028,622</u>

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	As at September 30, 2017			As at December 31, 2016		
	Cost/ Book value	Fair value	Allowance for impairment loss	Cost/ Book value	Fair value	Allowance for impairment loss
	Baht	Baht	Baht	Baht	Baht	Baht
Ordinary shares	<u>7,808</u>	<u>879</u>	<u>6,929</u>	<u>7,808</u>	<u>845</u>	<u>6,963</u>
	<u>7,808</u>	<u>879</u>	<u>6,929</u>	<u>7,808</u>	<u>845</u>	<u>6,963</u>

9. INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES

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

Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method	
			As at invested	As at	As at	As at	As at	As at	As at	As at
			September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
			Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Associate										
KT ZMICO										
Securities Co., Ltd	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,338.2	1,377.2
Scentimental (Thailand) Co., Ltd	Import and Export Retail and whole sale perfume and cosmetics	Ordinary share	30.0	-	46.00	-	13.8	-	12.2	-
Absolute Yoga Co., Ltd	Yoga Studio, Food and hotel business	Ordinary share	60.0	-	30.00	-	217.8	-	215.7	-
Total							<u>1,475.7</u>	<u>1,244.1</u>	<u>1,566.1</u>	<u>1,377.2</u>

SEPARATE FINANCIAL STATEMENTS											
Company name	Type of business	Type of shares	Paid-up capital		% of voting right		Cost method		Equity method		
			As at	As at	As at	As at	As at	As at	As at	As at	
			invested	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
			2017	2016	2017	2016	2017	2016	2017	2016	
	Million Baht	Million Baht	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
Subsidiary											
Solaris Asset Management Co., Ltd.	Mutual, private and provident fund management share	Ordinary	125.4	125.4	100.00	100.00	173.1	173.1	87.0	98.8	
Lumpini Asset Management Co., Ltd.	Purchasing or taking transfer of non-performing asset of financial institution	Ordinary share	25.0	25.0	100.00	100.00	25.0	25.0	24.5	24.5	
<u>Less</u> Allowance for impairment							(173.1)	(74.3)	-	-	
							25.0	123.8	111.5	123.3	
Associate											
KT ZMICO Securities Co., Ltd.	Securities business	Ordinary share	2,137.8	2,137.8	49.71	49.71	1,244.1	1,244.1	1,338.2	1,377.2	
Scentimental (Thailand) Co., Ltd.	Import Export Retail and whole sale perfume and cosmetics	Ordinary share	30.0	-	46.00	-	13.8	-	12.2	-	
Absolute Yoga Co., Ltd.	Yoga Studio, Food and hotel business	Ordinary share	60.00	-	30.00	-	217.8	-	215.7	-	
							1,475.7	1,244.1	1,566.1	1,377.2	
Total							1,500.7	1,367.9	1,677.6	1,500.5	

In August 2017, the subsidiary sued an issuer of bill of exchange of Baht 105 million because the issuer cannot make repayment when the Bill of Exchange was matured, therefore the Company provided additional allowance for impairment of trading securities - Bill of Exchange of Baht 105 million in the consolidated financial statements for the three-month and nine-month periods ended September 30, 2017. For the separate financial statements, the Company provided additional allowance for impairment for investment in subsidiary of Baht 87 million and provided allowance for impairment of trading securities - Bill of Exchange issued by a subsidiary of Baht 18 million (see Note 8).

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

	As at September 30, 2017 Million Baht	As at December 31, 2016 Million Baht
Total assets	9,112.3	10,707.7
Total liabilities	(6,522.7)	(8,272.5)
Net assets	<u>2,589.6</u>	<u>2,435.2</u>
	For the three-month periods ended September30, 2017 Million Baht	
	2016 Million Baht	
Total revenue	466.2	714.4
Net income for the period	41.8	164.9
Net other comprehensive income for the period	(7.4)	(26.3)
	For the nine-month periods ended September30, 2017 Million Baht	
	2016 Million Baht	
Total revenue	1,333.2	1,722.2
Net income for the period	(74.9)	297.3
Net other comprehensive income (loss) for the period	(28.6)	(6.1)
Dividend received from an associated company	-	21.9

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

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

As at September 30, 2017 and December 31, 2016, the paid-up share capital of Lumpini Asset Management Co., Ltd. which is the Company's subsidiary is Baht 25 million, consisting of 2,500,000 ordinary shares of Baht 10 per share. As at September 30, 2017 and December 31, 2016, the subsidiary's shares are held by the Company 100%.

As at September 30, 2017 and December 31, 2016, the paid-up share capital of Solaris Asset Management Co., Ltd. which is the Company's subsidiary is Baht 125.4 million, consisting of 22,800,000 ordinary shares of Baht 5.5 per share. As at September 30, 2017 and December 31, 2016, the subsidiary's shares are held by the Company 100%.

10. OTHER ASSETS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30, 2017 Baht	December 31, 2016 Baht	September 30, 2017 Baht	December 31, 2016 Baht
Accrued interest income	941,749	504,843	889,701	503,425
Prepaid insurance	478,745	182,381	215,265	182,381
Prepaid repair and maintenance	428,532	98,005	-	-
Prepaid SET fee	240,820	109,389	240,820	109,389
Prepaid membership	691,349	-	72,010	-
Prepaid other	425,033	313,332	95,173	89,131
Other deposits	1,135,628	1,130,628	788,878	783,878
Corporate income tax claim receivable	11,622,723	10,559,626	2,441,875	2,361,201
Advance payment for investment in Myanmar	49,806,450	53,488,200	49,806,450	53,488,200
Others	23,258,621	702,397	303,064	311,513
Total	89,029,650	67,088,801	54,853,236	57,829,118

11. OTHER BORROWINGS

As at September 30, 2017 and December 31, 2016, the Company has other borrowings, as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at September 30, 2017				
Residual maturities				
Interest rate per annum (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Other borrowings				
Bill of exchange	3.75 – 4.00	839,146,725	-	839,146,725
Total other borrowings		839,146,725	-	839,146,725
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2016				
Residual maturities				
Interest rate per annum (%)	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Other borrowings				
Bill of exchange	3.45 – 3.60	467,778,822	-	467,778,822
Total other borrowings		467,778,822	-	467,778,822

12. DIVIDEND

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

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

13. FEE AND SERVICE INCOME

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods		For the three-month periods	
	ended September 30,		ended September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	2,704,605	24,283,841	-	-
Total	2,704,605	24,283,841	-	-

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month periods		For the nine-month periods	
	ended September 30,		ended September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Private fund management, mutual fund management and provident fund management	24,059,178	81,635,718	-	-
Total	24,059,178	81,635,718	-	-

14. GAIN AND RETURN ON FINANCIAL INSTRUMENTS

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Gain on investment	14,555,186	10,419,321	14,614,678	10,603,821
Interest and dividend income	1,384,469	4,179,030	1,095,727	3,742,960
Total	15,939,655	14,598,351	15,710,405	14,346,781

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Gain on investment	226,882,454	51,683,728	224,510,294	51,310,389
Interest and dividend income	13,858,267	17,142,189	13,115,094	37,978,552
Total	<u>240,740,721</u>	<u>68,825,917</u>	<u>237,625,388</u>	<u>89,288,941</u>

15. DIRECTORS' REMUNERATION

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

16. FEE AND SERVICE EXPENSES

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	339,406	373,416	-	-
Referral expense	86,225	9,970,753	-	-
Others	291,346	298,992	82,740	84,206
Total	<u>716,977</u>	<u>10,643,161</u>	<u>82,740</u>	<u>84,206</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Fees for private fund, mutual fund and derivative licenses	1,007,198	1,112,131	-	-
Referral expense	389,965	27,606,648	-	-
Others	3,337,147	1,920,435	243,747	243,743
Total	<u>4,734,310</u>	<u>30,639,214</u>	<u>243,747</u>	<u>243,743</u>

17. IMPAIRMENT LOSS ON SECURITIES (REVERSAL)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	September 30,		September 30,	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Impairment loss from equity securities (reversal)	(512,310)	311,150	(512,310)	311,150
Impairment loss from debt securities	105,000,000	-	18,042,578	-
Impairment loss on investment in subsidiary (reversal)	-	-	93,901,323	(2,872,524)
Total	<u>104,487,690</u>	<u>311,150</u>	<u>111,431,591</u>	<u>(2,561,374)</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Impairment loss from equity securities (reversal)	14,454,186	(1,863,766)	14,454,186	(1,863,766)
Impairment loss from debt securities	105,000,000	-	18,042,578	-
Impairment loss on investment in subsidiary (reversal)	-	-	98,832,286	(17,713,864)
Total	<u>119,454,186</u>	<u>(1,863,766)</u>	<u>131,329,050</u>	<u>(19,577,630)</u>

18. CORPORATE INCOME TAX

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month		For the three-month	
	periods ended September 30,		periods ended September 30,	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Income tax -income	<u>22,138,762</u>	<u>2,093,448</u>	<u>22,067,941</u>	<u>2,794,748</u>
Total	<u>22,138,762</u>	<u>2,093,448</u>	<u>22,067,941</u>	<u>2,794,748</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the nine-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Income tax - expenses	<u>(13,764,035)</u>	<u>(7,583,878)</u>	<u>(8,180,807)</u>	<u>(3,185,879)</u>
Total	<u>(13,764,035)</u>	<u>(7,583,878)</u>	<u>(8,180,807)</u>	<u>(3,185,879)</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the three-month periods ended September 30,		For the three-month periods ended September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Income before tax	(90,900,598)	83,501,631	(111,900,240)	(7,951,905)
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied				
by the income tax rate - expenses	18,180,120	(16,700,326)	22,380,048	1,590,381
Tax effect of the non-deductible income and expense	5,334,391	17,525,633	(270,608)	(63,774)
Effect of the temporary difference not				
recognized as deferred tax assets	(69,594)	(74,443)	(69,594)	(74,443)
Effect of tax loss carried forward not recognized				
as deferred tax assets	28,095	1,342,584	28,095	1,342,584
Deferred tax relating to the deductible				
of temporary difference	73,689	(698,432)	-	-
Use of tax loss carry forward	(1,407,939)	698,432	-	-
Income tax - income	<u>22,138,762</u>	<u>2,093,448</u>	<u>22,067,941</u>	<u>2,794,748</u>

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the nine-month periods ended September 30,		For the nine-month periods ended September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Income before tax	18,005,761	143,491,565	40,798,411	46,506,984
Tax rate	20%	20%	20%	20%
The result of the account profit multiplied				
by the income tax rate - expenses	(3,601,152)	(28,698,313)	(8,159,682)	(9,301,397)
Tax effect of the non-deductible income and expense	(2,501,049)	21,081,122	738,219	6,082,205
Effect of the temporary difference not				
recognized as deferred tax assets	(152,129)	(205,569)	(152,129)	(205,569)
Effect of tax loss carried forward not recognized				
as deferred tax assets	(607,215)	238,882	(607,215)	238,882
Deferred tax relating to the deductible				
of temporary difference	(5,574,717)	(4,389,457)	-	-
Use of tax loss carry forward	(1,327,773)	4,389,457	-	-
Income tax – expenses	<u>(13,764,035)</u>	<u>(7,583,878)</u>	<u>(8,180,807)</u>	<u>(3,185,879)</u>

19. RELATED PARTY TRANSACTIONS

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

Balances with related parties as at September 30, 2017 and December 31, 2016 are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Subsidiaries				
Solaris Asset Management Co., Ltd.				
Investment in subsidiary (see Note 9)	-	-	-	98,832,285
Investment in private fund managed by subsidiary	57,292,731	57,258,259	57,292,731	57,258,259
Investment in debt securities - Bill of exchange	-	-	81,957,422	-
Accrued private fund management fee expenses	-	-	25,065	25,805
Lumpini Asset Management Co., Ltd.				
Investment in subsidiary (see Note 9)	-	-	25,000,000	25,000,000
Associates				
KT ZMICO Securities Co., Ltd.				
Investment in associate (see Note 9)	1,338,186,237	1,377,157,471	1,244,095,520	1,244,095,520
Cash balance for securities trading	2,730,387	9,790,951	2,730,387	9,790,951
Other receivables	972	2,500	972	2,500
Other payables	307,674	611,823	307,674	611,823

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Scentimental (Thailand) Co., Ltd.				
Investment in associate (see Note 9)	12,219,641	-	13,800,000	-
Investment in debt securities - Bill of Exchange	52,185,831	-	52,185,831	-
Absolute Yoga Co., Ltd.				
Investment in associate (see Note 9)	215,744,277	-	217,800,000	-
Related companies				
Under common directors				
Thanh Cong Securities Joint Stock Company				
Investment in ordinary shares - net	90,602,792	104,796,263	90,602,792	104,796,263
KTZ Ruby Hill Securities Co., Ltd.				
Advance payment for investment in Myanmar	49,806,450	53,488,200	49,806,450	53,488,200
Thai Foods Group Plc.				
Investment in ordinary shares	223,068,640	281,818,320	223,068,640	281,818,320

Significant transactions with related parties for the three-month periods ended September 30, 2017 and 2016 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the three-month periods		For the three-month periods		
	ended September 30,	ended September 30,	ended September 30,	ended September 30,	
	2017	2016	2017	2016	
	Baht	Baht	Baht	Baht	
Subsidiaries					
Solaris Asset Management Co., Ltd.					
Management fee of private fund	-	-	76,320	80,902	At the rate determined under the contract 0.2% of net asset value per year (see Note 20.2)
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	66,150	66,150	At the rate determined under the contract
Associates					
KT ZMICO Securities Co., Ltd.					
Research fee	750,000	750,000	750,000	750,000	At the rate determined under the contract of Baht 250,000 per month (see Note 20.3)
Service expenses	866,700	1,222,500	866,700	1,222,500	At the rate determined under the contract (see Note 20.1)
Other fee expenses	576,041	677,149	576,041	677,149	At the rate determined under the contract
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	719,875	-	719,875	-	At the rate determined under the contract
Investment in Bill of exchange	37,887,058	-	37,887,058	-	Investment value
Withdrawal from Bill of exchange	14,280,125	-	14,280,125	-	Investment value
Related companies					
Under joint control					
Phra kanong Land Co., Ltd					
Interest income from Bill of Exchange	-	27,154,050	-	27,154,050	At the rate determined under the contract
Investment in Bill of exchange	-	490,327,781	-	490,327,781	Investment value
Withdrawal from Bill of exchange	-	969,129,334	-	969,129,334	Investment value
Related with subsidiary and associate					
Selling agent fee expense	92	445,210	92	445,210	At the rate determined under the contract
Service fee expenses	199,800	199,800	199,800	199,800	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	17,004	-	17,004	-	At the rate determined under the contract

Significant transactions with related parties for the nine-month periods ended September 30, 2017 and 2016 are as follows:

	CONSOLIDATED		SEPARATE		Pricing policy
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	For the nine-month periods ended September 30,		For the nine-month periods ended September 30,		
	2017	2016	2017	2016	
	Baht	Baht	Baht	Baht	
Subsidiaries					
Solaris Asset Management Co., Ltd.					
Management fee of private fund	-	-	229,837	234,019	At the rate determined under the contract 0.2% of net asset value per year
Interest received from Bill of exchange	-	-	1,198,730	-	At the rate determined under the contract
Investment in Bill of exchange	-	-	350,000,000	-	Investment value
Withdrawal from Bill of exchange	-	-	250,000,000	-	Investment value
Lumpini Asset Management Co., Ltd.					
Rental income	-	-	198,450	110,250	At the rate determined under the contract
Associates					
KT ZMICO Securities Co., Ltd.					
Dividend received	-	-	-	21,896,272	2016: 128,801,600 Share 0.17 baht/Share
Research fee	2,250,000	2,250,000	2,250,000	2,250,000	At the rate determined under the contract of Baht 250,000 per month (see Note 20.3)
Service expenses	3,482,850	2,407,500	3,482,850	2,407,500	At the rate determined under the contract (see Note 20.1)
Other fee expenses	1,488,986	1,006,064	1,488,986	1,006,064	At the rate determined under the contract
Beacon Offshore Ltd.					
Interest received from Bill of exchange	-	542,239	-	542,239	At the rate determined under the contract
Investment in Bill of exchange	-	35,040,026	-	35,040,026	Investment value
Withdrawal from Bill of exchange	-	52,230,163	-	52,230,163	Investment value
Scentimental (Thailand) Co., Ltd.					
Interest received from Bill of exchange	2,144,710	-	2,144,710	-	At the rate determined under the contract
Investment in Bill of exchange	66,465,956	-	66,465,956	-	Investment value
Withdrawal from Bill of exchange	42,855,290	-	42,855,290	-	Investment value
Related companies					
Under joint control					
Phra kanong Land Co., Ltd					
Interest income from Bill of Exchange	-	27,154,050	-	27,154,050	At the rate determined under the contract
Investment in Bill of exchange	-	490,327,781	-	490,327,781	Investment value
Withdrawal from Bill of exchange	-	969,129,334	-	969,129,334	Investment value
Related with subsidiary and associate					
Selling agent fee expense	641	1,186,690	641	1,186,690	At the rate determined under the contract
Service fee expenses	599,400	599,400	599,400	599,400	At the rate determined under the contract of Baht 66,600 per month
Commission expense for securities trading	25,315	2,721	25,315	2,721	At the rate determined under the contract

For the three-month and nine-month periods ended September 30, 2017 and, compensations paid to key management personnel under TAS 24 (Revised 2016) “Related Party Disclosures” are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended		For the three-month periods ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Short-term employee benefits	1,848,759	1,780,943	976,211	941,865
Post-employment benefits	208,821	182,250	171,856	152,727
Total	<u>2,057,580</u>	<u>1,963,193</u>	<u>1,148,067</u>	<u>1,094,592</u>

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the nine-month periods ended		For the nine-month periods ended	
	September 30,		September 30,	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Short-term employee benefits	5,546,278	5,342,829	2,928,632	2,825,595
Post-employment benefits	626,469	546,756	515,574	458,185
Total	<u>6,172,747</u>	<u>5,889,585</u>	<u>3,444,206</u>	<u>3,283,780</u>

20. COMMITMENTS

Transactions with related parties

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

On June 30, 2016, the Company entered into agreement with KT ZMICO Securities Company Limited for providing management service of operating. The term of agreement is one year. The term of agreement is from July 1, 2016 to June 30, 2017. The agreement is automatically extended for three months each, unless by earlier mutual termination of which the Company pays monthly fee and the rate of Baht 210,000.

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

Transactions with other business parties

- 20.5 As at September 30, 2017 and December 31, 2016, the Company and its subsidiary have the following outstanding rental and service commitments under long-term lease agreements for its office building and equipment.

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2017	2016	2017	2016
Within 1 year	3.4	3.4	2.3	2.3
Over 1 year to 5 years	1.2	3.7	0.8	2.5
Total	4.6	7.1	3.1	4.8

(Unit: Million Baht)

21. BUSINESS/GEOGRAPHICAL SEGMENT INFORMATION

Business segment information of the Company and its subsidiary for the three-month and the nine-month periods ended September 30, 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	For the three-month period ended September 30, 2017				
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	17,904	2,705	(85,385)	-	(64,776)
Inter - segment revenues	-	-	-	-	-
Total revenues	17,904	2,705	(85,385)	-	(64,776)
Segment income	17,904	(9,848)	(85,385)	-	(77,329)
Unallocated income and expenses :					
Gain on transfer of business to the associated company					14
Other income					1,385
Servicing and administrative expenses					(14,971)
Income tax - income					22,139
Net income					(68,762)

(Unit: Thousand Baht)

	For the three-month period ended September 30, 2016				
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	90,811	24,284	14,287	-	129,382
Inter - segment revenues	-	-	-	-	-
Total revenues	90,811	24,284	14,287	-	129,382
Segment income	90,811	3,174	14,287	-	108,272
Unallocated income and expenses :					
Gain on transfer of business to the associated company					14
Other income					797
Servicing and administrative expenses					(25,581)
Income tax - income					2,093
Net income					85,595

(Unit: Thousand Baht)

	For the nine-month period ended September 30, 2017				
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	(24,754)	24,059	117,650	-	116,955
Inter - segment revenues	-	-	-	-	-
Total revenues	(24,754)	24,059	117,650	-	116,955
Segment income	(24,754)	(15,197)	117,650	-	77,699
Unallocated income and expenses :					
Gain on transfer of business to the associated company					43
Other income					3,011
Servicing and administrative expenses					(62,747)
Income tax - expenses					(13,764)
Net income					4,242

(Unit: Thousand Baht)

For the nine-month period ended September 30, 2016					
	Securities segment	Asset Management Segment	Investment And others Segment	Elimination of inter-segment revenues	Consolidated Financial Statement
Revenue from external customers	114,680	81,636	70,689	-	267,005
Inter - segment revenues	-	-	-	-	-
Total revenues	114,680	81,636	70,689	-	267,005
Segment income	114,680	20,221	70,689	-	205,590
Unallocated income and expenses :					
Gain on transfer of business to the associated company					43
Other income					4,072
Servicing and administrative expenses					(66,213)
Income tax - expenses					(7,584)
Net income					135,908

Assets classified by segment of the Company as at September 30, 2017 and December 31, 2016 were presented as follows:

(Unit: Thousand Baht)

	Securities segment	Assets Management segment	Investment and others segment	Non-Performing		Consolidated Financial statement
				Assets Management segment	Unallocated assets	
Assets by segment						
As at September 30, 2017	1,338,186	195,699	1,562,184	24,627	257,865	3,378,561
As at December 31, 2016	1,381,979	109,191	1,481,978	24,613	341,318	3,339,079

22. RISK MANAGEMENT

Liquidity risk

The Company

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

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

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

However, as at September 30, 2017 and December 31, 2016, the Company is not required to maintain its net liquid capital and equity per those requirements as it was granted by the Office of the Securities and Exchange Commission to temporarily cease its operation on securities and derivative businesses (see Note 1).

Also, according to the Notification of the Securities and Exchange Commission No. KorKhor. 7/2551, Re: Determination of Paid-Up Registered Capital of Securities Company, the securities company licensed to undertake securities business in the category of securities brokerage, excluding the securities company licensed to undertake securities brokerage of debt securities or investment units, shall have paid-up registered capital of not less than Baht 500 million, effective from January 1, 2012 onwards. The Company has already proceeded accordingly.

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

However, as at September 30, 2017, the Company is able to maintain its net liquid capital more than the condition.

Subsidiary

Under the Notification of the Office of the Securities and Exchange Commission No. KorNor. 20/2552, regarding “The Capital Adequacy of Management Company”, the asset management company has to maintain owners’ equity at least Baht 20 million for mutual fund management business, at least Baht 20 million for private fund management business with provident fund and at least Baht 10 million for private fund management business without provident fund management. Under the Notification of the Office of the Securities and Exchange Commission No. Thor Nor. 42/2552, regarding “The Responsibility Insurance of Management Company and the Notification for Capital Adequacy of Management Company”, the warning level at Baht 30 million for mutual fund management business, the warning level at Baht 30 million for private fund management business with provident fund and the warning level at Baht 15 million for private fund management business without provident fund management. In case the subsidiary cannot maintain the capital adequacy over the warning level, the subsidiary has to report to the Office of the Securities and Exchange Commission including the plan to recover its owners’ equity to the warning level.

As at September 30, 2017, the subsidiary’s financial statements showed owners’ equity amounting of Baht 86.96 million, which is in accordance with the SEC’s regulations. However, in August 2017 the subsidiary sued an issuer of Bill of Exchange of Baht 105 million because the issuer cannot make repayment when the Bill of Exchange was matured. The Management is considering the solutions in order to maintain capital adequacy under the requirement of the Office of the Securities and Exchange Commission which would be impact from providing the allowance for impairment of such trading securities - Bill of Exchange.

23. TRANSFER OF BUSINESS

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

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

For the three-month periods ended September 30, 2017 and 2016, the Company recognized additional gain on transfer of business to the associated company of Baht 0.01 million.

For the nine-month periods ended September 30, 2017 and 2016, the Company recognized additional gain on transfer of business to the associated company of Baht 0.04 million.

As at September 30, 2017 and December 31, 2016 the remaining amount unrealized gain on transfer of business to an associated company were Baht 148.30 million and Baht 148.34 million, respectively.

24. FAIR VALUE MEASUREMENT

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

Unit : Baht				
Financial assets/ Financial liabilities	CONSOLIDATED FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	Fair value September 30, 2017	Fair value December 31, 2016		
<u>Financial Assets</u>				
Investments				
Trading securities				
Equity securities - Listed securities	267,568,694	90,274,004	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Debt securities - Corporate bond	27,132,369	26,824,556	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities - Bill of exchange	636,427,074	702,906,321	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities - Listed securities	4,565,730	288,327,412	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

Unit : Baht

Financial assets/ Financial liabilities	SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation techniques and key inputs
	Fair value September 30, 2017	Fair value December 31, 2016		
<u>Financial Assets</u>				
Investments				
Trading securities				
Equity securities - Listed securities	267,568,694	82,339,254	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange
Debt securities - Corporate bond	27,132,369	26,824,556	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Debt securities - Bill of exchange	699,932,441	653,130,918	2	Discount cash flow by future cash flows are estimated based on forward interest rate at the end of the reporting period
Available-for-sale securities				
Equity securities - Listed securities	4,565,730	288,327,412	1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand and foreign stock exchange

25. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the audit committee and authorized director of the Company on November 3, 2017.