



ASIA PLUS  
Group Holdings

บริษัท เอเชีย พลัส กรุ๊ป โฮลดิ้งส์ จำกัด (มหาชน)  
Asia Plus Group Holdings Public Company Limited

# BESPOKE FINANCIAL SOLUTIONS

ANNUAL REPORT

# 2018

รายงานประจำปี 2561



The background is an abstract composition of vibrant colors. On the left, there are large, textured areas of green, blue, and red. A bright, white, circular light source is positioned in the center-left, creating a strong glow and lens flare effect that spreads across the right side of the image. The overall effect is dynamic and energetic.

# BESPOKE

FINANCIAL  
SOLUTIONS

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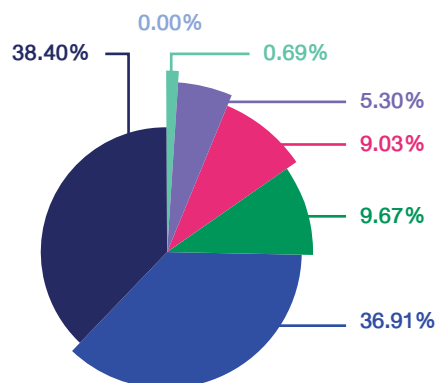
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# Financial Highlight

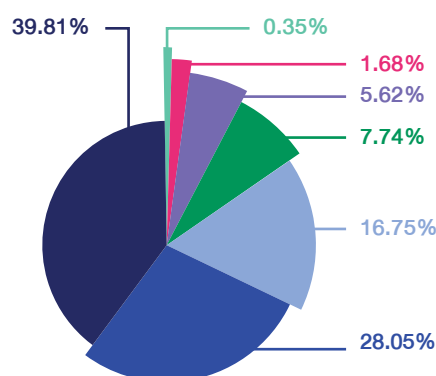
## Consolidated revenue structure Financial Highlight

(Consolidated Financial Statements)

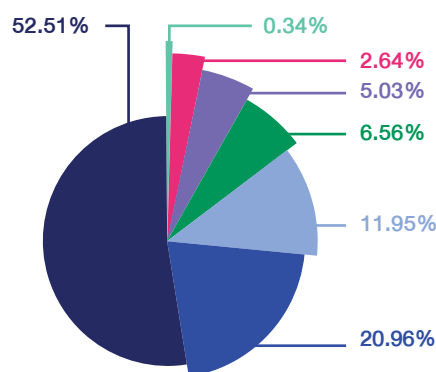
As at or for the year ended 31 December



2018



2017



2016

	2018	2017	2016
<b>Operating Results</b>			
<b>(Million Baht)</b>			
Total revenues	2,271.05	2,554.56	2,478.52
Total expenses	1,728.23	1,625.04	1,525.47
Profit before tax	542.82	929.52	953.05
Profit for the year	434.20	741.57	755.65
<b>Financial Position Statement</b>			
<b>Information (Million Baht)</b>			
Total assets	6,391.93	11,290.93	9,877.25
Total liabilities	1,765.87	6,459.55	5,128.20
Total owners' equity	4,626.06	4,831.38	4,749.05
Investments	2,318.48	4,334.67	3,739.78
Margin loan	1,544.16	2,891.31	2,431.05
<b>Common Share Information</b>			
<b>(Baht)</b>			
Par value	1.00	1.00	1.00
Book value per share	2.20	2.29	2.26
Earning per share	0.21	0.35	0.36
Dividend per share	0.20	0.30	0.299278

- Brokerage fee
- Fees & Services income
- Gain on securities
- Interest and dividend
- Gain (Loss) on derivatives
- Interest on margin loans
- Other incomes



# Financial Ratio

## Consolidated financial statements

Financial Ratio		2018	2017	2016
<b>Profitability Ratio</b>				
Gross profit margin	%	88.07	90.41	91.02
Net profit margin	%	19.12	29.03	30.49
Return on equity	%	9.18	15.48	16.45
Return on investment	%	9.81	14.91	15.30
<b>Efficiency Ratio</b>				
Return on asset	%	4.91	7.01	8.57
Asset turnover	Times	0.25	0.24	0.28
<b>Financial Ratio</b>				
Liquid assets to total borrowings	Times	5.42	1.25	1.88
Performing assets to total borrowings	Times	8.28	2.64	4.24
Liquid assets to total assets	%	46.58	37.42	35.66
Performing assets to total assets	%	71.12	79.04	80.45
Debt to equity	Times	0.38	1.34	1.08
Dividend payout <sup>1/</sup>	%	96.99	85.18	100.00
<b>Other Ratio</b>				
Net investment in securities to total assets	%	36.27	38.39	37.86
Earning per share	Baht	0.21	0.35	0.36

<sup>1/</sup> The Board of Directors Meeting No.2/2019 on 27 February 2019, has resolved to propose to the Annual General Meeting of Shareholders No. 25, which will be held on 24 April 2019, the declaration of dividend from the operating results of 2018 to all shareholders at the rate of 0.20 baht per share, totaling 421,131,208.80 baht. The Company had paid an interim dividend on 10 September 2018 at the rate of 0.10 baht per share, totaling 210,565,604.40 baht. The remaining dividend shall be paid at the rate of 0.10 baht per share, totaling 210,565,604.40 baht.

The Company set the date to determine the list of shareholders entitled to receive dividend on 13 March 2019. The dividend payment shall be made on 13 May 2019 after obtaining approval from the Annual General Meeting of Shareholders no. 25.

# Message from the Chairman of the Board of Directors and the Chief Executive Officer

Business conduct at the present time is undergoing rapid change in several dimensions, especially digital disruption which has become central to business management and development in every industry. Digital disruption is regarded as both a threat that needs to be dealt with, and a business opportunity—a challenge to business operators. Consequently, they are required to adapt so as to keep up-to-date with change, enabling them to survive and bring success to an organization.

The Thai economy over 2018 experienced continual expansion, both in terms of the consumption and investment of the government sector and private sector as a result of supporting factors outside the country, especially exports, tourism, as well as supporting factors within the country such as the investment of the government sectors in several projects currently in operation. However, the growth of the Thai economy in 2018 was not aligned with the investment in the Thai stock market in 2018 experiencing a slowdown from the constant fluctuations of the global stock market due to risk factors. This was caused by a number of reasons such as the trade war between China and the United States, an increase in the interest rates of the Federal Reserve Bank of the United States, Brexit, as well as the fluctuation of crude oil price in the global market. These fluctuations tended to continue until 2019.

Amidst the slowdown in the world economy and business competition in the age of the digital economy, Asia Plus Group Holdings places significance on the use of digital technology in developing innovation and restoring work processes so as to create change in addition to the original growth. Personnel and information technology are improved to be up-to-date to strengthen competitiveness. In addition, the Company provides new financial products that derive returns for the money invested by each client (Bespoke). By providing knowledge to clients, they will understand and be informed of the opportunity to invest in other financial products in order to diversify risk. In the meantime, the Company is searching for new investment opportunities and consolidating the work efficiency of the Company's work units.

In 2018, the Company employed a market penetration strategy in the high growth business (Growth Drivers) and succeeded as targeted in three businesses: 1) asset management, 2) wealth management, and 3) global investment. As regards the volume contributors which are securities brokerage—the largest business of the Company—and derivatives that still need to expand continually, the Company continues to readjust business strategy despite high competition.

Asia Plus Group Holdings has long held a positive reputation as regards helping increase the wealth for clients. This strong point has been used in presenting products and services under the concept of “Creating Value Beyond Wealth”. The Company has designated a strategy plan to drive the business forward for 2019 (Collaborative Strategic Plan) according to five business models, each of which offers different service, so as to respond to different customer insights. The details are as follows :

1. Wealth Management – the main plans are to:

- Develop products and investment strategy that better respond to customer insights.
- Apply technology to increase convenience and rapidness in buying and selling funds.
- Create a brand of wealth management service of Asia Plus to become widely known among the target customer group.
- Specify guidelines for recruiting personnel capable of taking care of customers more efficiently.
- Create more channels to search for new customers.

2. Full Service Brokerage – the main plans are to:

- Create a positive experience for customers in every step of service provision.
- Develop the system and tools to help represent information on various products to the existing customer base.
- Expand the customer base which is a new generation through marketing activities that match the target group.

3. Investment – the main plans are to:

- Diversify investment globally both inside and outside the stock market so as to mitigate risk and increase the opportunity to create returns.
- Expand investment in business outside the stock market in foreign countries with a tendency towards high growth yielding good returns such as investment in start-up businesses in foreign countries.

4. Investment Banking – the main plans are to:

- Maintain the quality level of service to make customers satisfied and therefore choose the Company's service on a continual basis.
- Conduct regular training and maintain an efficient team.
- Place importance on coordination with a network of experts in different professions.

5. Asset Management – the main plans are to:

- Develop products with investment innovation so as to fully respond to customers' investment, especially the consolidated fund invested abroad, and the consolidated fund invested in equity instruments operating in the artificial intelligence business.
- Apply technology in making the work process automatic to increase efficiency.
- Improve communication with customers to keep up-to-date with the investment situation, and for more efficiency.
- Develop and recruit high quality personnel to create an organization with long-term sustainable growth.
- Expand a new customer base in every channel, especially sales representatives through banks selling the Company's funds and managing a variety of funds.

Lastly, on behalf of the Board of Directors, we would like to express our sincere gratitude to all shareholders, customers, staff, trade partners, and every relevant party for their continued trust and support given to Asia Plus Group Holdings. We would like to ensure you that Asia Plus Group Holdings is determined to improve its products and quality of service, and conduct business towards success according to the Company's strategy plan so as to create continued returns for shareholders.



**Mr. Chali Sophonpanich**  
**Chairman of the Board of Directors**



**Mr. Kongkiat Opaswongkarn**  
**Chief Executive Officer**

# Asia Plus Group Holdings Public Company Limited

## Vision

Being a leader in diverse and innovative investments with outstanding potential amidst the rapid changes that come with the age of globalization.

## Mission

1. Disseminating an investment base in various businesses to acquire balance and sustainability.
2. Serving as a center of excellence as regards knowledge and understanding about new financial development and sharing such contents with its subsidiaries, customers, and the general public.
3. Equipping the organization with the effective management system of knowledge entities and information.
4. Creating the organizational culture using the value of organization in connecting the company's goals with personnel within the organization.
5. Continuously staying ahead of change and competition.

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### Asia Plus Securities Company Limited (Core Company)

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#### Vision

"To become the industry leader providing a full range of financial services under the fast evolving globalization age"

#### Mission

1. To expand its financial instruments and services, catering to all customer's needs
2. To widen knowledge and understanding in financial innovation to both customers and employees
3. To extend distribution network of financial instruments and investment services
4. To diversity and balance sources of income from various products and services
5. To promptly responsive to changes and competition

# Our Values

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G



## Good Governance

We believe in and support honest intention and behaviors in all we do, by ensuring good governance and transparency for building long term relationships, trust and credibility with stakeholders.

R



## Responsive

We strive for strong team collaboration to achieve corporate success as a whole by actively responding to the needs of our clients and stakeholders.

A



## Accountability

We take corporate accountability amongst team and Asia Plus group as our own responsibility.

C



## Creativity

We enhance capabilities by leveraging all knowledge base for our business to create Asia Plus group' uniqueness as an "Investment Advisor of Choice"

E



## Enthusiasm

We are committed and proactive towards our work. We are highly motivated and passionate in driving ourselves and the team to achieve goals.



# Corporate Strategies

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The Company has made key corporate strategies for the next five years to set business objectives and directions in 2016 - 2020 as a guideline for all the Company's departments to achieve the following goals.

## Knowledge & Value

To develop products and services and improve employee efficiency in terms of working knowledge and interaction skill as well as encourage employees to keep themselves updated to news and current affairs to keep up with rapidly changing situations.

## Technology & Digital Platform

To use technology and digital platform to offer new services and improve the work efficiency.

## Brand & Reputation

To make the Company's brand become acknowledged and accepted by target customers.

## People & Culture

To create corporate culture by fostering "GRACE" corporate value and maximize personnel efficiency to better understand and answer customer's needs professionally.



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Detail on

# Directors and Executives

ASIA PLUS GROUP HOLDINGS  
PUBLIC COMPANY LIMITED



**Mr. Chali Sophonpanich (Age 57 years)**

**Chairman of the Board of Directors, Executive Director (Authorized Director), Member of the Nomination Committee**

**Date of appointment to the Board: 25 April 1988**

#### Education/Training

- M.B.A., Finance, University of Chicago, USA
- B.S., Engineering, Brown University, USA
- Corporate Governance for Capital Market Intermediaries (CGI), Class No.7/2015, The Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class No.40/2005, The Thai Institute of Directors Association

**% of shareholdings as of 31 December 2018: 8,391,463 shares (0.40%)**

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2011 - Present	Executive Director (Authorized Director)
2010 - Present	Member of the Nomination Committee
1994 - Present	Chairman of the Board of Directors
1998 - 2001	Chairman of the Executive Board

##### Subsidiaries

2014 - Present	Chairman of the Board of Directors and Executive Director (Authorized Director), Asia Plus Securities Company Limited (Core Company)
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##### Positions in other listed companies

1990 - Present	Chairman of the Board of Directors, Frasers Property (Thailand) Public Company Limited*
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##### Positions in non-listed companies

2006 - Present	Chairman of the Board of Directors, Asia Warehouse Company Limited
1996 - Present	Director, Asia Industrial Estate Company Limited
1988 - Present	Chairman of the Board of Directors, A.C.L. Leasing Company Limited
1987 - Present	President, City Realty Company Limited

\*Change the company's name from TICON Industrial Connection Public Company Limited



**Mr. Kongkiat Opaswongkarn (Age 62 years)**

**Chief Executive Officer (Authorized Director), Member of the Nomination Committee**

**Date of appointment to the Board: 27 May 2004**

#### Education/Training

- Ph.D., M.S., M.B.A., (Distinction) The Wharton School, University of Pennsylvania, USA
- B.Engineering (First Class Honour), Chulalongkorn University
- Corporate Governance for Capital Market Intermediaries (CGI), Class No.4/2015, The Thai Institute of Directors Association
- Capital Market Academy Leadership Program, Class I
- Director Accreditation Program (DAP), Class No.40/2005 The Thai Institute of Directors Association
- National Defence Studies Institute (The Joint State-Private Sectors Course, Class 14), National Defence College of Thailand

**% of shareholdings as of 31 December 2018: 556,981 shares (0.03%)**

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2010 - Present	Member of the Nomination Committee
2004 - Present	Chief Executive Officer (Authorized Director)

##### Subsidiaries

2014 - Present	Chief Executive Officer (Authorized Director), Asia Plus Securities Company Limited (Core Company)
2008 - Present	Chairman of the Board of Directors (Authorized Director), Asia Plus Advisory Company Limited

##### Positions in other listed companies

- None -

##### Positions in non-listed companies

2007 - 2011	New Listings Committee, The Stock Exchange of Thailand
2005 - 2008	Chairman, Federation of Thai Capital Market Organizations
2004 - 2008	Chairman, Securities Analysts Association
2004 - 2007	Chairman of Board of Executive Directors, Export-Import Bank of Thailand



**Mr. Michael David Roberts (Age 71 years)**

**Independent Director, Member of the Remuneration Committee,  
Member of the Risk Management Committee**

**Date of appointment to the Board: 16 January 1998**

#### **Education/Training**

- M.B.A., Liverpool University, UK
- B.Commerce, Liverpool University, UK
- Corporate Governance for Capital Market Intermediaries (CGI), Class No. 9/2015, The Thai Institute of Directors Association
- Director Certification Program (DCP), Class No.112/2009, The Thai Institute of Directors Association

**% of shareholdings as of 31 December 2018: - None -**

#### **Work Experience**

##### **Asia Plus Group Holdings Public Company Limited**

2013 - Present	Member of the Risk Management Committee
2010 - Present	Independent Director
2003 - Present	Member of the Remuneration Committee
1998 - 2010	Director

##### **Subsidiaries**

2014 - Present	Independent Director and Member of the Risk Management Committee Asia Plus Securities Company Limited (Core Company)
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##### **Positions in other listed companies**

- None -

##### **Positions in non-listed companies**

2004 - Present	Member of Hong Kong Institute of Directors
2000 - Present	Director, Aberdeen International Fund Manager Ltd.
2000 - 2005	Securities and Futures Commission Compensation Committee
1997 - 1999	Council Member of Hong Kong Stock Exchange



**Mr. Virach Aphimeteetamrong (Age 75 years)**

**Independent Director, Chairman of the Audit Committee, Member of the  
Nomination Committee, Member of the Risk Management Committee**

**Date of appointment to the Board: 27 May 2004**

#### **Education/Training**

- Ph.D., Finance, University of Illinois, USA
- Master of Accounting Science, University of Illinois, USA
- B.A. (Second Class Honour), Chulalongkorn University
- Corporate Governance for Capital Market Intermediaries (CGI), Class No.5/2015, The Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class No.2/2003, The Thai Institute of Directors Association

**% of shareholdings as of 31 December 2018: 203,112 shares (0.01%)**

#### **Work Experience**

##### **Asia Plus Group Holdings Public Company Limited**

2013 - Present	Member of the Risk Management Committee
2010 - Present	Member of the Nomination Committee
2004 - Present	Independent Director and Chairman of the Audit Committee

##### **Subsidiaries**

2014 - Present	Independent Director, Chairman of the Audit Committee and Member of the Risk Management Committee, Asia Plus Securities Company Limited (Core Company)
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##### **Positions in other listed companies**

2013 - Present	Independent Director and Member of the Audit Committee, Thai Agro Energy Public Company Limited
2007 - Present	Chairman of the Board of Directors, Intouch Holdings Public Company Limited
2004 - Present	Independent Director and Chairman of the Audit Committee, Bangkok Chain Hospital Public Company Limited
1995 - Present	Independent Director and Member of the Audit Committee, Metro System Corporation Public Company Limited
1993 - Present	Independent Director, Supalai Public Company Limited

##### **Positions in non-listed companies**

2003 - Present	Chairman of the Audit Committee, TRIS Corporation Company Limited
1988 - Present	Chairman, Dr. Virach & Associates Office Company Limited
2003 - 2015	Chairman of the Audit Committee, TRIS Rating Company Limited
1993 - 2017	Director, Supalai Property Management Company Limited



**Mr. Sopon Punyaratabandhu (Age 56 years)**

**Independent Director, Member of the Audit Committee, Member of the Remuneration Committee, Member of the Nomination Committee, Chairman of the Risk Management Committee**

**Date of appointment to the Board: 20 May 1999**

#### Education/Training

- M.S. in Accounting, Thammasat University
- B.B.A. (Honour) in Accounting, Thammasat University
- Corporate Governance for Capital Market Intermediaries (CGI), Class No.5/2015, The Thai Institute of Directors Association
- Fellow Member, The Thai Institute of Directors Association
- Role of the Compensation Committee, Class No.2/2007, The Thai Institute of Directors Association
- Director Certification Program (DCP), Class No.17/2002, The Thai Institute of Directors Association
- Certified Public Accountant

**% of shareholdings as of 31 December 2018: - None -**

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2013 - Present	Chairman of the Risk Management Committee
2010 - Present	Member of the Nomination Committee
2003 - Present	Member of the Remuneration Committee
1999 - Present	Independent Director, Member of the Audit Committee

##### Subsidiaries

2016 - Present	Director and Chairman of the Audit Committee, Asset Plus Fund Management Company Limited
2014 - Present	Independent Director, Member of the Audit Committee and Chairman of the Risk Management Committee, Asia Plus Securities Company Limited (Core Company)

##### Positions in other listed companies

2000 - Present	Executive Director (Authorized Director) Vintcom Technology Public Company Limited
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##### Positions in non-listed companies

Oct.2018 - Present	Director (Authorized Director), I-Secure Comapny Limited
Apr.2018 - Present	Chairman of the Board of Directors, Manja Company Limited
Feb.2018 - Present	Director, Foresight Holdings Company Limited
2000 - Present	Executive Director (Authorized Director), Thai Incubator Dot Com Company Limited
1999 - Present	Managing Director, Vnet Capital Company Limited
2008 - 2015	Director, Center of Intellectual Property Management, Mahidol University
2000 - 2016	President & Director, Thai Venture Capital Association
1997 - 2017	Managing Director, Morison CKS Company Limited

**Mr. Satit Chanjavanakul (Age 70 years)**

**Independent Director, Member of the Audit Committee, Chairman of the Nomination Committee, Member of the Risk Management Committee**

**Date of appointment to the Board: 27 May 2004**

#### Education/Training

- M.Sc., Textile Technology, University of Leeds, UK
- M.B.A., Thammasat University
- B.Eng. (Industrial Engineering), Chulalongkorn University
- Corporate Governance for Capital Market Intermediaries (CGI), Class No.7/2015, The Thai Institute of Directors Association
- National Defence Studies Institute (The Joint State-Private Sectors Course, Class 14), National Defence College of Thailand
- Capital Market Academy Leadership Program, Class No.5
- Director Certification Program (DCP), Class No.83/2007, The Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class No.39/2005, The Thai Institute of Directors Association

**% of shareholdings as of 31 December 2018: - None -**

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2013 - Present	Member of the Risk Management Committee
2010 - Present	Chairman of the Nomination Committee
2004 - Present	Independent Director and Member of the Audit Committee

##### Subsidiaries

2014 - Present	Independent Director, Member of the Audit Committee, and Member of the Risk Management Committee, Asia Plus Securities Company Limited (Core Company)
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##### Positions in other listed companies

2013 - Present	Independent Director and Member of the Audit Committee, Thai Agro Energy Public Company Limited
2009 - Present	Chairman, SNC Former Public Company Limited
2009 - Present	Independent Director and Member of the Audit Committee, Crown Seal Public Company Limited
2009 - Present	Independent Director and Member of the Audit Committee, Lalin Property Public Company Limited
2009 - 2016	Independent Director and Member of the Audit Committee, Chumporn Palm Oil Industry Public Company Limited

##### Positions in non-listed companies

2013 - Present	Director, Witcorp Product Company Limited
1991 - Present	Director, SPC Home Ideas Company Limited
2004 - 2008	Secretary General, Board of Investment



**Mrs. Nintira Sophonpanich (Age 53 years)**  
**Director, Advisor to the Executive Committee**

**Date of appointment to the Board: 18 April 1994**

#### Education/Training

- M.B.A., London University Cass Business School, UK
- B.Sc., Economics (Honor), London School of Economics and Political Science, UK
- Director Accreditation Program (DAP), Class May 4, 2005, The Thai Institute of Directors Association
- Financial Executive Development Program, Class 5 (FINEX V)

**% of shareholdings as of 31 December 2018: 3,259,902 shares (0.15%)**

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2008 - Present	Director and Advisor to the Executive Committee
1994 - 2008	Executive Director

##### Subsidiaries

2014 - Present	Director and Advisor to the Executive Committee, Asia Plus Securities Company Limited (Core Company)
2008 - Present	Director, Asia Plus Advisory Company Limited

##### Positions in other listed companies

2010 - Present	Independent Director, Bangkok Insurance Public Company Limited
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##### Positions in non-listed companies

2016 - Present	President, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother
2016 - Present	President, Srisangwan School Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother
2016 - Present	President, Rehabilitation Center for the People with Physical Disabilities under Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother
2003 - Present	Director and Treasurer, The Queen's Gallery Foundation
2002 - Present	Director, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother
2000 - Present	Director, Bangkok MUFG Company Limited
1999 - Present	Director and Treasurer, The Pan Pacific Southeast Asia Women's Association International



**Mr. Patchara Surajaras (Age 60 years)**  
**Executive Director (Authorized Director), Member of the Risk Management Committee**

**Date of appointment to the Board: 1 March 2001**

#### Education/Training

- Ph.D., Financial Economics, Claremont Graduate School, USA
- M.A. Economics, University of North Carolina at Greensboro, USA
- B.S. (Agricultural Economics), Kasetsart University
- Corporate Governance for Capital Market Intermediaries (CGI), Class No.5/2015, The Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class No.1/2003, The Thai Institute of Directors Association

**% of shareholdings as of 31 December 2018: - None -**

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2013 - Present	Member of the Risk Management Committee
2001 - Present	Executive Director (Authorized Director)
1998 - 2001	Senior Executive Vice President Information System Division, Branch Operating Division, Planning and Business Development Department

##### Subsidiaries

Oct.2018 - Present	Executive Director (Authorized Director), Asset Plus Fund Management Company Limited
2014 - Present	Executive Director (Authorized Director), Member of the Risk Management Committee Asia Plus Securities Company Limited (Core Company)
2008 - Present	Director (Authorized Director), Asia Plus Advisory Company Limited

##### Positions in other listed companies

- None -

##### Positions in non-listed listed companies

- None -



**Mr. Pithayain Assavanig (Age 49 years)**

**Executive Director (Authorized Director)**

**Date of appointment to the Board: 19 April 2017**

#### **Education/Training**

- M.B.A., University of La Verne, USA
- B.B.A., in Accounting, Thammasat University
- Director Certification Program (DCP), Class No.197/2014, The Thai Institute of Directors Association
- CFO Certification Program, class 20/2016, Federation of Accounting Professions

**% of shareholdings as of 31 December 2018: - None -**

#### **Work Experience**

##### **Asia Plus Group Holdings Public Company Limited**

- |                |  |
|----------------|--|
| 2017 - Present | Executive Director (Authorized Director)   |
| 2012 - Present | Chief Financial Officer and Chief Account (Registration certificate as Chief Accountant with criteria specified by Department of Business Development) |

##### **Subsidiaries**

- |                    |   |
|--------------------|---|
| Apr.2018 - Present | Director,<br>Asia Plus Advisory Company Limited         |
| 2013 - Present     | Director,<br>Asset Plus Fund Management Company Limited |

##### **Positions in other listed companies**

- None -

##### **Positions in non-listed listed companies**

- |             |   |
|-------------|---|
| 2017 - 2018 | Committee, Securities Investor Protection Fund (SIPF) The Stock Exchange of Thailand                  |
| 2017 - 2018 | Committee, Derivatives Investor Protection Fund (DIPF) The Stock Exchange of Thailand                 |
| 2006 - 2012 | Vice President, Customer Knowledge and Planning The Hongkong and Shanghai Banking Corporation Limited |
| 2003 - 2006 | Vice President, Business Finance and Planning The Hongkong and Shanghai Banking Corporation Limited   |
| 1996 - 2003 | Assistant Vice President, Financial Control Citibank N.A., Bangkok Branch                             |
| 1991 - 1993 | Auditor, KPMG   |

## Detail on Executives

### Ms. Vimolpan Suwantewatoo (Age 57 years)

#### Executive Vice President

Date of being Executive: 1 May 2015

#### Education/Training

- B.A., Assumption University
- Grad.Dip., Human Resource Management, Sasin Graduate Institute of Business Administration
- Situational Leadership
- The 7 Habits of Highly Effective People
- Leadership Workshop with The World's Most Influential Thinker By DAVE ULRICH

% of shareholdings as of 31 December 2018: - None -

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2011 - Present Executive Vice President,  
Human Resources Division

#### Subsidiaries

- None -

#### Positions in other listed companies

- None -

#### Positions in non-listed companies

2009 - 2011 Senior Vice President,  
Standard Chartered Bank (Thai)

2005 - 2007 Vice President,  
Krunghthai AXA Life Insurance Company Limited

2000 - 2005 Senior Vice President,  
Ek-Chai Distribution System Company Limited  
(Tesco Lotus)

### Mr. Chirasak Ongpaibool (Age 50 years)

#### Executive Vice President

Date of being Executive: 1 May 2015

#### Education/Training

- M.B.A., Chulalongkorn University
- B.A., Chulalongkorn University
- ASCO Compliance Training Program 2015,  
Association of Thai Securities Companies
- AML/CFT Structure and workshop 2015,  
AML Experts Company Limited

% of shareholdings as of 31 December 2018: - None -

#### Work Experience

##### Asia Plus Group Holdings Public Company Limited

2014 - Present Executive Vice President,  
Compliance and Audit Department

2013 - 2014 Senior Vice President,  
Compliance and Audit Department

#### Subsidiaries

- None -

#### Positions in other listed companies

2012 - 2013 Senior Vice President, Compliance Department,  
Maybank Kim Eng Securities (Thailand) Public  
Company Limited

2003 - 2010 Vice President, Compliance and Internal Audit  
Department, Maybank Kim Eng Securities (Thailand)  
Public Company Limited

#### Positions in non-listed companies

2007 - Present Director, Compliance Club,  
Association of Thai Securities Companies

2010 - 2011 Head of Compliance, Office of General Counsel,  
Phatra Securities Public Company Limited

2000 - 2003 Assistant Division Chief, Broker Dealer Supervision  
and Inspection Department  
The Securities and Exchange Commission, Thailand

1999 - 2000 Senior Auditor, Corporate Finance Department  
The Securities and Exchange Commission, Thailand

1994 - 1999 Audit, Enforcement Department  
The Securities and Exchange Commission, Thailand

#### Notes:

1. Percentage of shareholding of directors and executives included holding by spouse and minor children as of 31 December 2018
2. Relationship with other director or executive :  
- Mr. Chali Sophonpanich (Chairman of the Board of Directors) is a younger brother of husband of Mrs. Nintira Sophonpanich (Director).
3. Record of involvement in illegal activities during the past 10 years of all executives  
- None -
4. Executive means any director, manager or the first four executive officers whose rank are most senior after manager, all persons whose rank are the same as the forgoing forth executive officer, and including any executive officer in charge of accounting and finance whose rank is a departmental manager or equivalent up. (Notification of the Securities and Exchange Commission No. KorChor. 17/2551) The executives of the Company are Mr. Kongkiat Opaswongkarn, Mr. Chali Sophonpanich, Mr. Patchara Surajaras, Mr. Pithayain Assavanig, Ms. Vimolpan Suwantewatoo and Mr. Chirasak Ongpaibool and the Chief Financial Officer is Mr. Pithayain Assavanig.

## Detail on Directors and Executives

### Asia Plus Securities Company Limited (Core Company)

As at 31 December 2018 Asia Plus Securities Company Limited has 9 directors. List of the members is given below:

Name of Directors	Position	Date of appointment by shareholder meeting/Board
1. Mr. Chali Sophonpanich	Chairman of the Board of Directors, Executive Director (Authorized Director)	20 June 2014
2. Mr. Kongkiat Opaswongkarn	Chief Executive Officer, Executive Director (Authorized Director)	20 June 2014
3. Mr. Virach Aphimeteetamrong	Independent Director, Chairman of the Audit Committee, Member of the Risk Management Committee	20 June 2014
4. Mr. Michael David Roberts	Independent Director, Member of the Risk Management Committee	20 June 2014
5. Mr. Sopon Punyaratabandhu	Independent Director, Member of the Audit Committee, Chairman of the Risk Management Committee	20 June 2014
6. Mr. Satit Chanjavanakul	Independent Director, Member of the Audit Committee, Member of the Risk Management Committee	20 June 2014
7. Mrs. Nintira Sophonpanich	Director	20 June 2014
8. Mr. Patchara Surajaras	Executive Director (Authorized Director), Member of Risk Management Committee	20 June 2014
9. Mrs. Jeeraphat Pimantip	Executive Director (Authorized Director)	22 May 2015

Director no.1-8 has been appointed from the Board of Directors of Asia Plus Group Holdings Public Company Limited to be the directors of Asia Plus Securities Company Limited. The detail of these directors are shown at page no.11-14 and the detail of director no.9 is as below.





**Mrs. Jeeraphat Pimantip (Age 56 years)**

**Executive Director (Authorized Director)**

**Date of appointment to the Board: 22 May 2015**

#### **Education/Training**

- M.Pol.Sc., Ramkhamhaeng University
- B.A. Communication, Chulalongkorn University
- Corporate Governance for Capital Market Intermediaries (CGI) Class No.7/2015, The Thai Institute of Directors Association
- Capital Market Academy Leadership Program, Class 21

**% of shareholdings as of 31 December 2018: - None -**

#### **Work Experience**

##### **Asia Plus Securities Company Limited**

2015 - Present      Executive Director (Authorized Direction)

##### **Asia Plus Group Holdings Public Company Limited (Parent Company)**

2014 - 2015      Executive Director (Authorized Director),  
Senior Executive Vice President,  
Wealth Plus Division And Marketing 3, 7  
Division (Branches)

2008 - 2013      Executive Vice President, Wealth Plus Division

1999 - 2008      Vice President, Manager of Royal City Avenue Branch

1994 - 1999      First Vice President,  
Institutional Marketing Department

1989 - 1993      Manager, Retail Marketing 2 Department

##### **Asset Plus Fund Management Company Limited (Group Company)**

2015 - Present      Director

## Detail on Executives

### Asia Plus Securities Company Limited (Core Company)

#### Mrs. Manee Sirinapapen (Age 61 years)

Senior Executive Vice President

Appointment date as the Executive: 1 April 2017

#### Education/Training

- B.B.A. Rajamangala University of Technology
- Corporate Governance for Capital Market Intermediaries (CGI) Class No.8/2015, The Thai Institute of Directors Association

% of shareholdings as of 31 December 2018: 64 shares (0.000003%)

#### Work Experience

##### Asia Plus Securities Company Limited

2017 - Present	Senior Executive Vice President, Retail Brokerage Division
2015 - 2017	Executive Director (Authorized Director)
<b>Asia Plus Group Holdings Public Company Limited (Parent Company)</b>	
2014 - 2015	Executive Director (Authorized Director), Senior Executive Vice President, Retail Brokerage Division
2010 - 2013	Executive Vice President, Retail Brokerage Division
2005 - 2009	Senior Vice President, Retail Marketing 4 Department
2003 - 2004	Vice President, Retail Marketing 4 Department
2000 - 2002	First Vice President, Retail Marketing 4 Department
2000 - 2000	Assistant Vice President, Retail Marketing 1 Department
1998 - 2000	Manager, Retail Marketing 1 Department

#### Mrs. Pannipa Gulyanon\* (Age 62 years)

Senior Executive Vice President

Appointment date as the Executive: 1 April 2017

#### Education/Training

- B.S. in Statistics, Ramkhamhaeng University
- Performance Management System Program - 2016
- Investment Risk Management Program - 2016
- Investment Program (Getting Started) - 2015

% of shareholdings as of 30 April 2018: 217,737 shares (0.01%)

#### Work Experience

##### Asia Plus Securities Company Limited

2017 - Apr.2018	Senior Executive Vice President, Back Office System Development Division
2014 - 2017	Senior Executive Vice President, Operations Division

##### Asia Plus Group Holdings Public Company Limited (Parent Company)

2007 - 2014	Senior Executive Vice President, Operations Division
2002 - 2007	Executives Vice President, Information Management and Data Processing
1996 - 2002	Senior Vice President, Computer Department
1987 - 1996	Vice President, Computer and System Development Department

\* Mrs. Pannipa Gulyanon resigned from director of the company because of the retirement with effect from 1 May 2018

**Mrs. Porranee Thongyen (Age 59 years)****Senior Executive Vice President****Appointment date as the Executive: 1 April 2017****Education/Training**

- M.S. (Agricultural Economics), Kasetsart University
- B.S. (Agricultural Economics), Kasetsart University
- Director Certification Program (DCP), Class No.208/2015, The Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class No.94/2011, The Thai Institute of Directors Association
- Capital Market Academy Leadership Program, Class 2
- Certified Investment and Securities Analyst Program - 1992-1994, CISA Level 3, Investment Analysts Association (IAA)

**% of shareholdings as of 31 December 2018: - None -****Work Experience****Asia Plus Securities Company Limited**

2015 - Present      Senior Executive Vice President,  
Local Research Division

**Asia Plus Group Holdings Public Company Limited (Parent Company)**

2014 - 2015      Senior Executive Vice President,  
Local Research Division

2004 - 2013      Executive Vice President, Local Research Division

2001 - 2004      Senior Manager

**Asset Plus Fund Management Company Limited (Group Company)**

2012 - 2015      Director, Member of the Audit Committee,  
Member of the Risk Management Committee

**Other companies**

2007 - Present      Director, Vice President of Investment Analysts  
Association (IAA)

2008 - 2011      Director, Economic and Business Alumni Association,  
Kasetsart University

1994 - 1996      Director, BBL Asset Management Company Limited

1988 - 1990      Credit analyst, Bank of Ayudhya Company Limited

1987 - 1988      Securities analyst,  
Union Asia Finance Company Limited

**Notes:**

1. Mrs. Pannipa Gulyanon resigned from director of the company because of the retirement with effect from 1 May 2018
2. Percentage of shareholding of directors and executives included holding by spouse and minor children as at 31 December 2018
3. Relationship with other director or executive :
  - Mr. Chali Sophonpanich is a younger brother of husband of Mrs. Nintira Sophonpanich (Director)
4. Record of involvement in illegal activities during the past 10 years of all executives
  - None -
5. Executive means any director, manager or the first four executive officers whose rank are most senior after manager, all persons whose rank are the same as the forgoing forth executive officer, and including any executive officer in charge of accounting and finance whose rank is a departmental manager or equivalent up. (Notification of the Securities and Exchange Commission No. KorChor. 17/2551) The executives of the company are Mr. Kongkiat Opaswongkam, Mr. Chali Sophonpanich, Mr. Patchara Surajaras, Mrs. Jeeraphat Pimantip, Mrs. Manee Sirinapapen, Mrs. Pannipa Gulyanon and Mrs. Porranee Thongyen and the Chief Financial Officer is Mr. Pithayain Assavanig, details are shown at page no.15

## The change of shareholding of the Directors and Executives of Asia Plus Group Holdings Public Company Limited

Details as of 31 December 2018

Name	Position	Number of Shareholding as of 31 December 2017	Number of Shareholding as of 31 December 2018	Changing	% of Shareholding as of 31 December 2018
1. Mr. Chali Sophonpanich	Chairman of the Board of Directors, Executive Director, Member of the Nomination Committee	8,391,463	8,391,463	-	0.399%
Spouse and minor children		-	-	-	-
2. Mr. Kongkiat Opaswongkarn	Chief Executive Officer, Member of the Nomination Committee	556,981	556,981		0.026%
Spouse and minor children		13,085,040	-	(13,085,040)	-
3. Mr. Michael David Roberts	Independent Director, Member of the Remuneration Committee, Member of the Risk Management Committee	-	-	-	-
Spouse and minor children		-	-	-	-
4. Mr. Virach Aphimeteetamrong	Independent Director, Chairman of the Audit Committee, Member of the Nomination Committee, Member of the Risk Management Committee	203,112	203,112	-	0.010%
Spouse and minor children		-	-	-	-
5. Mr. Sopon Punyaratabandhu	Independent Director, Member of the Audit Committee, Member of the Remuneration Committee, Member of the Nomination Committee, Chairman of the Risk Management Committee	-	-	-	-
Spouse and minor children		-	-	-	-
6. Mr. Satit Chanjavanakul	Independent Director, Member of the Audit Committee Chairman of the Nomination Committee, Member of the Risk Management Committee	-	-	-	-
Spouse and minor children		-	-	-	-
7. Mrs. Nintira Sophonpanich	Director, Advisor to the Executive Committee	759,902	759,902	-	0.036%
Spouse and minor children		2,500,000	2,500,000	-	0.119%
8. Mr. Patchara Surajaras	Executive Director, Member of the Risk Management Committee	-	-	-	-
Spouse and minor children		-	-	-	-
9. Mr. Pithayain Assavanig	Executive Director, Chief Financial Officer	-	-	-	-
Spouse and minor children		-	-	-	-

### Management

1. Ms. Vimolpan Suwantewatoo	Executive Vice President	-	-	-	-
Spouse and minor children		-	-	-	-
2. Mr. Chirasak Ongpaibool	Executive Vice President	-	-	-	-
Spouse and minor children		-	-	-	-

## Overall Business Operation

Asia Plus Group Holdings Public Company Limited was registered as “Asia Securities Trading Company Limited” on 22 October 1974 with registered capital of 10 million baht. In December 1979, the Company changed its legal name to “Asia Securities Company Limited” and increased the registered capital from 10 million baht to 1 billion baht in the same year. On 18 May 1987, the Company was approved by the SET Board of Governors to be a member of Broker Number 8. In the following year, the Company was approved by the Ministry of Finance to be listed on the Stock Exchange of Thailand (SET) on 9 December 1988 and traded on the SET since 16 December 1988.

In 1994, the Company became a public limited company and increased the registered capital to 2 billion baht. In 1997, ABN AMRO Asia (Holdings) Limited with ABN AMRO BANK N.V. as its major shareholder acquired 35.5 per cent of the Company’s entire issued share capital and increased its stake to 40 per cent of the Company’s entire issued shares in the year 2000. The Company has changed its name to “ABN AMRO Asia Securities Public Company Limited” on 2 June 1998. However, on 31 December 2004, ABN AMRO Asia (Holdings) Limited was no longer the Company’s shareholder.

In 2004, the Company increased the paid up capital of 650 million baht to be a total of 1,995 million baht, with the objective to make a public offering together with a tender offer of Asset Plus Securities Public Company Limited’s shares. The share swap was completed in April 2004. The merger of two companies has combined the strength of securities brokerage business from ABN AMRO Asia Securities Public Company Limited, which comprised large customer base and nationwide network, with the expertise in institutional business and investment banking business of Asset Plus Securities Public Company Limited. The new company, registered as “Asia Plus Securities Public Company Limited”, has become a large-sized securities company that provides a full range of financial services to better serve the diverse needs of investors.

The merger of the two companies not only strengthened the growth of their core businesses but also supported new business expansion, and shaped the new company’s vision, mission and strategy in order to build a strong ground to support business to become the industry leader in providing a full range of financial services under the fast-evolving globalization era in line with our vision.

The Company expanded the business operation into several business lines since its merger & acquisition. This was aligning with the driving factors and new developments in Thai capital market in the last decade, especially the inauguration of the Thailand Futures Exchange Plc. (TFEX) in 2006, which encouraged the listing and trading activities of new derivatives instruments, as well as the liberalization of brokerage fees in 2010, which was a key driver of the skyrocketed liquidity in Thai capital market. Besides, the business expansion is the Company’s mission that aims to achieve its goal in revenues diversification and income rebalancing.

However, the business expansion in the past had not been fully implemented because the operations of all business lines were under the structure of “Securities Company”. In order to prepare for the future growth, to allow the agility in business expansion, as well as to create the flexibility for the upcoming business to cater for the intensive competition and continuously changing environment in money and capital markets. However, the most crucial reason is to generate the perspicuity in the Company’s business lines and to segregate the risks from difference business activities; the Agency Business and the Principal Business, the Company’s Board of Directors Meeting proposed to the 20<sup>th</sup> Annual General Meeting of Shareholders held on 28 April 2014 to consider and approve the business restructuring plan. Following the restructuring plan, the Company transformed itself into the holding company listed in the Stock Exchange and transfer the securities business and derivatives business to the subsidiary company to operate. After the business restructuring plan was completed, the Company changed its name to “Asia Plus Group Holdings Public Company Limited” and mainly operate only investment business.



## Major changes and developments

The major changes and developments of the Company in the past three years during 2016 - 2018 can be summarized as follows:

- 2016**
- The Company's Board of Directors approved to increase the investment in Asset Plus Fund Management Company Limited from 97,707,011.61 baht or 9,999,998 shares to 197,706,991.61 baht or 19,999,996 shares. Asia Plus Group Holdings Public Company Limited still held the share of Asset Plus Fund Management Company Limited at 99.99 per cent. On 23 May 2016, Asset Plus Fund Management Company Limited increased the registered the capital from 100 million baht to 200 million baht.
  - The Company has been changed the Company's website from [www.asiaplus.co.th](http://www.asiaplus.co.th) to [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th). However, the website [www.asiaplus.co.th](http://www.asiaplus.co.th) became the official website of the Company's subsidiary which is Asia Plus Securities Company Limited.
- 2017**
- The Annual General Meeting of Shareholders no. 23 which was held on 19 April 2017 has passed resolutions to approve the election of Mr. Pithayain Assavanig as a new director of the Company and being one of the authorized directors to sign for and on behalf of the Company.
- 2018**
- The Company invested in Cyber VC Pte. Ltd., a newly setup company in Singapore, in the portion of 13.92% of the total paid up capital of Cyber VC Pte. Ltd. or 1,143,950 shares. Cyber VC Pte. Ltd. is a holding company which made an investment in a cyber security startup company in Israel.

## Group's structure



## Business entity of the Company and its subsidiaries

The Company mainly operates only investment business and the business entities of the Company and its subsidiaries are identified by the type of business. The Company appointed Company's executives as directors of the subsidiary companies to define Company's mission, vision, and business strategies that could maximize the profitability of each business unit.

### The Company's businesses

The Company is a holding company which invests in high growth potential businesses. Our current core businesses can be divided by the type of business operation of the subsidiaries which are:

**1. Asia Plus Securities Company Limited** registered on 23 June 2014 and now the paid up capital are 4,500 million baht. Asia Plus Group Holdings Public Company Limited is its major shareholder holding 99.99 percent.


Asia Plus Securities Company Limited granted the securities business license type A from the Ministry of Finance and the derivatives business license type Sor-1 from the Capital Market Supervisory Board. The company operates the above mentioned businesses after receiving all businesses transferring except proprietary trading and private equity from Asia Plus Group Holdings Public Company Limited.

- Granted the securities business license type A from the Ministry of Finance, the company operates various businesses as follows:
  1. Securities broker
  2. Securities dealer
  3. Investment Advisor
  4. Securities underwriter
  5. Securities borrowing and lending
  6. Private fund management
  7. Mutual fund management
  8. Venture capital management

At present, the company has operated the business activities in No.1, No.2, No.4 and No.5.

- Granted the derivatives business license type Sor-1 from the Capital Market Supervisory Board, the company is allowed to operate derivatives business as follows:
  1. Derivatives broker
  2. Derivatives dealer
  3. Derivatives advisor
  4. Derivatives fund management

At present, the company has operated the business activities in No.1 and No.2.



In addition, the company was granted a permission from the Office of the Securities Exchange Commission (SEC) to act as a financial advisor for the issuance and public offering of securities; the listing on the Stock Exchange of Thailand and the Market for Alternative Investment (MAI); and preparing the tender offer and providing advisory service for shareholders for the transactions of the listed companies. The Company also registered as the Advisor type A with the Ministry of Finance's Advisor Information Center, which serves as financial advisor to both public and private sectors. Moreover, On 22 September 2017, the SEC office notified and announced that the company is qualified to be the debenture holder's representative.

Today, Asia Plus Securities Company Limited has a total of 17 branches, of which five branches are within Bangkok Metropolitan Area namely Phapphachai, Emporium, Ngamwongwan, Siam, and Lat Phrao and another 12 are in provincial area namely Khon Kaen, Chanthaburi, Surat Thani, Si Racha, Chiang Mai, Hat Yai, Phitsanulok, Udon Thani, Chiang Rai, Pattaya, Lampang, and Nakhon Sawan. The company's headquarters is located at 175, 3/1 Floor, Sathorn City Tower, South Sathorn Road, Thung Mahamek, Sathorn, Bangkok 10120.

**2. Asia Plus Advisory Company Limited** registered on 11 April 2008 with paid up capital of 15 million baht. Asia Plus Group Holdings Public Company Limited is its major shareholder holding 99.99 per cent.

Asia Plus Advisory Company Limited provides an investment banking service comprises mergers and acquisitions advisory, independent financial advisor service, debt and corporate restructuring and valuation of shares and business.

**3. Asset Plus Fund Management Company Limited** started the operation in October 2004 and now the paid up capital are 200 million baht. Asia Plus Group Holdings Public Company Limited is its major shareholder holding 99.99 percent.

Asset Plus Fund Management Company Limited which is the subsidiary operates its business in Thailand and undertakes securities business licenses as follows:

1. Mutual fund management
2. Private fund management
3. Limited broker dealer underwriter
4. Derivatives fund manager

At present, the company has operated the business activities in No.1, No.2 and No.4.



# Nature of Business

## Income structure of the Company and Subsidiaries

Source	By	% of share held	2018		2017		2016	
			Million Baht	%	Million Baht	%	Million Baht	%
1. Brokerage fees								
- from securities business	ASP		-	-	-	-	-	-
	ASPS	99.99%	823.24	36.25	977.09	38.25	1,259.72	50.83
- from derivatives business	ASP		-	-	-	-	-	-
	ASPS	99.99%	48.86	2.15	39.93	1.56	41.80	1.69
- other brokerage fees	ASP		-	-	-	-	-	-
	ASPS	99.99%	-	-	-	-	-	-
Total			872.10	38.40	1,017.02	39.81	1,301.52	52.52
2. Fees and service income	ASP		-	-	-	-	-	-
	ASSET PLUS	99.99%	457.69	20.15	312.36	12.23	206.78	8.34
	ASPA	99.99%	103.06	4.54	143.81	5.63	101.84	4.11
	ASPS	99.99%	277.49	12.22	260.37	10.19	210.90	8.51
Total			838.24	36.91	716.54	28.05	519.52	20.96
3. Gain on securities	ASP		-	-	140.42	5.50	67.28	2.71
	ASPS	99.99%	-	-	287.43	11.25	228.98	9.24
Total			-	-	427.85	16.75	296.26	11.95
4. Gain (Loss) on derivatives	ASP		7.55	0.33	31.84	1.25	6.36	0.25
	ASPS	99.99%	197.48	8.70	11.15	0.43	59.16	2.39
Total			205.03	9.03	42.99	1.68	65.52	2.64
5. Interest and dividend	ASP		82.91	3.65	92.19	3.61	63.72	2.57
	ASSET PLUS	99.99%	1.56	0.07	3.40	0.13	2.64	0.11
	ASPA	99.99%	0.55	0.02	0.77	0.03	0.65	0.03
	ASPS	99.99%	134.68	5.93	101.38	3.97	95.54	3.85
Total			219.70	9.67	197.74	7.74	162.55	6.56
6. Interest on margin loans	ASP		-	-	-	-	-	-
	ASPS	99.99%	120.35	5.30	143.44	5.62	124.64	5.03
Total			120.35	5.30	143.44	5.62	124.64	5.03
7. Other income	ASP		3.33	0.15	0.54	0.02	2.69	0.11
	ASSET PLUS	99.99%	0.25	0.01	0.23	0.01	0.05	0.00
	ASPA	99.99%	0.29	0.01	1.25	0.05	0.03	0.00
	ASPS	99.99%	11.75	0.52	6.96	0.27	5.74	0.23
Total			15.62	0.69	8.98	0.35	8.51	0.34
Total Revenues			2,271.04	100.00	2,554.56	100.00	2,478.52	100.00

Remark: ASP Asia Plus Group Holdings Public Company Limited  
ASSET PLUS Asset Plus Fund Management Company Limited  
ASPA Asia Plus Advisory Company Limited  
ASPS Asia Plus Securities Company Limited

# 2018 Business Operation

## 1. The Company's business

After the restructuring from Securities Company to Holding Company, Asia Plus Group Holdings Public Company Limited operates investment as a core business. The Company has an investment policy in equity instruments, debt instruments, derivatives, and unit trusts; both local and international. The Company diversifies the investment to reduce the risks and find more opportunity to create higher investment returns. The asset allocation is applied to short, medium, and long term investments depending on the appropriateness, expected returns, and liquidity, under the good risk management in order to create maximum benefit to the Company's shareholders, which in turn, complying with the transparent, accountable, and good governance principle.

Moreover, the Company has the policy to expand the business to the Venture Capital business by seeking for the business that has the opportunity to be listed in the Stock Exchange of Thailand in the future. Medium to long term investment in the non-listed companies can create good returns. In seeking such businesses, the Company employed several criteria that business shall possess; such as a prominent business point, possible business plan, being in the potential industry, continuity growing trend, strong as well as experience executives team. The business will be scrutinized and analyzed in depth. The projection of this activity will anticipate the medium to long term return in order to ensure the Company's investment strategies covering short to medium and to long term investment.

At present, the Company has one subsidiary company which is the core company; Asia Plus Securities Company Limited ("Asia Plus Securities") operating the Securities and Derivatives business and another 2 subsidiary companies; Asset Plus Funds Management Company Limited ("Asset Plus Fund Management") operating the asset management business and Asia Plus Advisory Company Limited ("Asia Plus Advisory") operating the investment banking business. The services provided by the subsidiary companies are as following.

## 2. The subsidiaries' businesses

### 2.1 Asia Plus Securities Company Limited

#### 1) Securities Brokerage Business

Asia Plus Securities, member of the Stock Exchange of Thailand number 8, provides brokering services for both local and foreign investors at both individual and institutional levels. There are head office and a total of 17 office branches in Bangkok and different regions of Thailand. The company offers quality and highly experienced marketing and securities analysis teams ready to provide consultation to investors regarding both fundamental and technical factors.

In 2018, the company provided the research and technical analysis and the investment knowledge through the company's website [www.asiaplus.co.th](http://www.asiaplus.co.th). Moreover the customers are eligible to access to real time stock reports on the ASP Smart application via smart phone on both iOS and Android operation system. ASP Smart enables customers to search for research articles, information on Thai and foreign stock, and information critical for self-trading decision. In addition, the company also provided the broadcast live from the analyst team about the market summary and daily investment trend via Asia Plus Group Facebook page: [www.facebook.com/AsiaPlusGroup](https://www.facebook.com/AsiaPlusGroup) and the investors can exchange their opinion with the analysts via this channel. Investors are provided with 2 types of securities trading accounts.

#### 1. Cash trading accounts,

which can be categorized by the settlement risk into;

- **Cash Account:** The client who trades in this account has to pre-margin valuing 20% in compliance with the SET's rule. Clients have the obligation to settle their net purchasing orders within the next 2 working days from the buying date, while the company has to deliver the selling proceeds to client orders within the next 2 working days from the trade date also.
- **Cash Balance Account:** The client shall pre-margin 100% and the sale proceeds will be stored in the account to determine the purchasing power for the next transaction.



## 2. Credit Balance Account

the credit balance account is where the client borrows money from the company to facilitate the purchasing orders. The initial margin can be in terms of cash or asset valuing not lower than 50% or the level determined by either the Stock Exchange of Thailand (SET) or the company.

Investors are able to trade securities through the company via 2 channels:

- Orders made via investment consultant
- Orders made via the internet via the Streaming program provided by SET Trade and eFin trade program.

In 2018, the company had provided training for investment consultants (IC) about the product of the company such as Global investment, ELN, Block Trade, OTC Bond, etc. in order to give the advises to the customers. Moreover, the company arranged the event “Meet the Listed Companies @ ASP” for the listed company to present their business overview and outlook to the customers and IC. Total 25 companies had participated in such events of the company in 2018, such as GUNKUL, DTAC, WHA, ADVANC, etc. The seminar “Global Investment” was also arranged for giving the knowledge and overview of global investment to the customers.

Trading value categorized by customer type, account type and trading channels are as below:

Trading Value	2018	2017	2016
SET and MAI (Million baht)	12,395,247.45	10,949,603.32	11,468,572.70
The company (Million baht)	567,196.15	589,331.52	717,199.65
The company's market share (%)	2.29%	2.69%	3.13%
Ranking	20	17	13
Categorized by customer type (%)			
- Institutional	6.44%	7.24%	7.03%
- Local	91.36%	89.33%	86.51%
- Foreign	2.20%	3.43%	6.46%
Categorized by account type (%)			
- Cash account	72.24%	83.58%	89.48%
- Credit balance	27.76%	16.42%	10.52%
Categorized by trading channels (%)			
- Via Investment Consultants	39.75%	40.88%	45.52%
- Via internet	60.25%	59.12%	54.48%

Remark: Trading value of the SET and MAI excluding propriety trading

In 2018, the revenue from brokerage commission fee of the company was 872 million baht or 38% of the company's total revenue. For 2017 and 2016, the company's revenue from brokerage commission fee were 1,017 million baht or 40% and 1,325 million baht or 53%, respectively.

## 2) Futures Trading Brokerage Business

The company received a derivatives agent license from the Securities and Exchange Commission (SEC) according to the Derivatives Act B.E. 2546 on 13 February 2015. There are nine derivatives products in the market at present, which are SET50 Futures, SET50 Options, Single Stock Futures, Gold Futures, Gold-D, Rubber Futures, Interest Rate Futures, Sector Index Futures, and USD Futures. Investors can use futures contracts and options contracts to hedge against risk, to speculate, and as underlying assets in the case of Gold Futures, Gold-D, Rubber Futures, and USD Futures.

Investors who want to invest in derivatives instruments have to deposit initial margin as determined by Thailand Clearing House Co., Ltd (TCH) and the Futures Industry Club (FI Club). If the direction of underlying assets is against the forecast, a margin call will be applied to cover the risk. Therefore, derivatives investment is only suitable for those with high risk tolerance.

The company has a plan to provide knowledge and develop tools and research papers to help investors to use futures contracts effectively.

## 3) Securities Trading Business

The company engages in a securities trading business, screening for bills of exchange (B/E) in the primary and secondary markets to offer to those who are interested in debt instrument investments which provide the consistent returns. The securities trading business has become a significant business to the company.

## 4) Investment Banking Business

The company is one of the leading service providers in investment banking. With highly specialized and experienced teams who provide continuing quality services, the company is widely recognized and trusted by both public and private organizations. Many vital awards the company has received from external entities serve as strong evidence of the company's quality operations and investment banking services.

The company serves investment banking business by its 2 subsidiary companies; the Asia Plus Advisory Company Limited ("Asia Plus Advisory"), and the Asia Plus Securities Company Limited ("Asia Plus Securities"). Generally, the advisory part will be handled by the Asia Plus Advisory, while the underwriting service will be a responsible of Asia Plus Securities. Furthermore, the Asia Plus Securities advises the issuing and offering of debt instruments; for example debentures, bill of exchange and, also, Hybrid instrument, to other firms.

### 1. Financial Advisory Service

The financial advisory service encompasses a variety of corporate matters to companies registered in the SET, Government Organizations, and State-owned Enterprises. The service is provided by highly competent and well-experienced teams specialized in financial advisory and approved by the Office of the SEC. The services provided can be categorized as follows:

- Securities Issuance and Offering
- Mergers and Acquisitions
- Independent Financial Advisory Service
- Debt Restructuring
- General Financial Advisory Services

### 2. Underwriting Service

#### • Equity Instrument

The Company acts as a lead underwriter and a sub-underwriter of common shares in initial public offering (IPO), public offering (PO), and private placement (PP), which is a continuous business from a financial advisory service.

- **Debt Instrument**

The Company acts as an underwriter of debt instruments, offering private debt instruments as another choice of investment for customers, including short-term investment via 1-day to 270-day bills of exchange and long-term investment via 270-day to 10-year bonds.

1. Primary market – Customers can choose to invest in newly issued debt instruments. The issuer will receive money directly from a customer and the customer will receive interest and principal back from the issuer according to an agreed term of investment.
2. Secondary market – When customers invested in newly issued debt instruments in 1. and would like to redeem the instruments before maturity, they can do so by selling such instruments to other customers in the secondary market at the agreed prices.

The debt instrument underwriting business is increasingly important to the Company.

#### **Characteristics of Financial Advisory and Past Performance in 2018**

In 2018, there were totally 19 newly listed companies in Thailand (excluding infrastructure funds, property funds, and Real Estate Investment Trusts or REITs), decreasing from 39 new companies in 2017. Of the 19 companies, 8 were listed in the Stock Exchange of Thailand or SET and the other 11 in The Market for Alternative Investment or MAI, with the total capital raising value of approximately 26,481.42 million baht, or a decrease of 71.34% from the total capital raising value of 92,393.56 million baht in 2017. In 2018, Asia Plus Advisory Company Limited was a financial advisor for the listing of 4 companies and also in the process of preparation for listing of many other companies.

Apart from securities listing advisory services, Asia Plus Advisory Company Limited also provides advice on merger and acquisition, securities issuance and offering, and other related transactions. In 2018, Asia Plus Advisory was a financial advisor in the issuing of warrants of Sri Ayudhya Capital Public Company Limited, an independent financial advisor in the acquisition of assets from related party, and a financial advisor for Banyan Tree Holding Limited (Singapore) in the voluntary tender offer of Laguna Resorts and Hotels Public Company Limited's shares.

Asia Plus Advisory Company Limited also provides other advisory services such as independent financial advisor, business valuation, business restructuring, and debt restructuring.

In 2018, Asia Plus Advisory Company Limited and Asia Plus Securities Company Limited had investment banking fee income, which consists of financial advisory fee income and underwriting fee income, of 342.65 million baht, or a decrease of 30.34 million baht or 8.13% from 372.99 million baht in 2017.

#### **5) Wealth Management Business**

Established in 2006, the Wealth Plus Division provides a one-stop financial asset management service on an open-architecture platform to individual and juristic investors. Our high experienced team, which consists of SEC-registered fund managers, offers a great variety of products for good risk distribution; investors can choose to invest locally or globally, in low volatility or high volatility instruments, to serve different investment objectives. We assess risk tolerance level, expected return, preferred term of investment, and limitations of investors before starting an investment and also revise their portfolios to meet the rapidly changing economic conditions. Financial products offered by the Wealth Plus Division include :

1. Mutual funds of 18 top-ranked asset management companies nationwide – Investors can open a selling agent account to invest directly in a mutual fund of each asset management company and long-term equity fund/retirement mutual fund (LTF/RMF) or open an omnibus account which allows investors to trade investment units of all 18 mutual funds via one account.
2. Local and global securities – Not only local securities but investors can also choose to invest in foreign securities in 24 countries or 27 markets around the globe.
3. Short-term and long-term private debt instruments in the primary and secondary markets and debt instruments of Thai listed companies overseas and debt instruments of overseas companies.
4. Derivatives and structured notes based on local and global securities.
5. Private equity funds – Investors can choose an asset to invest in and determine an acceptable risk level and expected return for their funds, which will be managed by our professional licensed fund managers.

2018 was a very hard year for all investment assets, especially in the second half of the year when trade wars between the US and China escalated and caused market tumble worldwide including Thailand. Foreign investors sold Thai stocks over 280 billion baht net, so a foreign holding ratio made a new low since 2004. The LTF tax incentive is very likely to not be extended after it ends in 2019. Meanwhile, continuous Fed rate hikes triggered severe fluctuation in global debt instrument markets. Furthermore, confidence of Thai investors toward investment in bills of exchange (B/E) and bonds still did not recover, resulting in lower interest in such products. Thanks to our well-rounded product mix and good risk distribution, however, we managed to lessen portfolio volatility. We also held roadshow seminars for investors in Bangkok and other provinces to give knowledge and create understanding about financial products.

Nevertheless, the Wealth Plus Division attempted to expand a customer base of mutual funds, which are diversified financial assets and can be used as a tool to distribute risk of portfolio. As a result, the division had management fee as recurring income, which also grew significantly. In addition, fixed coupon notes were increasingly popular among investors for they provided attractive returns and could limit investment risk, especially amid the fiercely volatile market. The Wealth Plus Division provided basic information about physical settlements and created understanding about the product's risk before investment, which received good responses from customers.

## 6) Derivatives Business

This division covers derivatives inside and outside of the Stock Exchange as well as other related businesses.

### 1. Derivative Warrants (DW)

The company first issued derivative warrants in early 2010, being a leader in the issuance and offering of derivative warrants and registered as the second issuer of derivative warrants in Thailand. Since then, the company issued and offered derivative warrants continuously via a direct listing system and could show constant growth. Derivative warrants transactions had grown significantly over the past year. As of 31 December 2018, total 1,480 series of derivative warrants were offered in the market, covering 108 securities and 2 underlying index which are SET Index and SET50 Index. In 2018, the company issued and offered 236 series of derivative warrants, 209 of which were call warrants and the other 27 were put warrants.

In 2018, the company had developed and improved an IT system to support the role as the market maker for SET50 Index Derivative Warrants (SET50 DW) and other derivative warrants. At the same time, the company has given importance to providing investment knowledge to investors by staging seminars and roadshows at the Stock Exchange of Thailand and the company's branch offices in Bangkok and other provinces like Chiang Mai and Hat Yai.

The website, [www.warrant08.com](http://www.warrant08.com) still be developed in order to provide complete information about derivative warrant investment for investors to find basic knowledge, trading information, and derivative warrants price map to help in making effective derivative warrants investment plans.

In 2019, the company is still committing to taking investors' benefit first in the derivative warrants transactions, aiming to improve the market maker system for a faster and more stable service. The company also plans to develop a synergy hedging system for more efficient liquidity and risk management.

### 2. Structured Notes (SN)

The company stated selling the structured notes (SN) product to the clients in 2013. The key feature of structured notes is the combination of over-the-counter equity derivatives and bond so investors may receive higher return than normal interest rate. The first specific type of SN that the company provided in 2013 was the equity-linked notes (ELN), namely ELN-ASP#1(-P). ELN is a short-term structured notes issued to only institutions and large-scale investors with the term of no more than 270 days from the issuing date. Moreover, the interesting feature of the ELN-ASP#1(-P) is that investors may receive high yield if the market price becomes higher than the pre-determined target price. However, if the market price declines to lower than the target price, investors may gain or lose from the investment.

In the beginning of 2015 before the restructuring, the company issued and sold the structured notes (SN) product to the clients in the name of the Asia Plus Group Holdings Securities Public Company Limited, according to the permission from the SEC in the issuing and offering of the structured notes entitled "Short-term structured notes 1/2557 (B.E.) of the Asia Plus Group Holdings Securities Public Company Limited within the outstanding not over than 1,000 Million Baht Project". The types of the structured notes described in the permission were as followings.

- ASP#1: SN type 'Equity-Linked Notes' with either Cash or Physical Settlement
- ASP#2: SN type 'Reverse Equity-Linked Notes' with Cash Settlement
- ASP#3: SN type 'Equity-Linked Notes with Put Bull Spread' with Cash Settlement
- ASP#4: SN type 'Equity-Linked Notes with Call Bear Spread' with Cash Settlement

After the restructuring, the company got the permission from the SEC in the issuing and offering of the structured notes entitled "Short term structured notes 1/2558 (B.E.) of the Asia Plus Securities Company Limited within the Outstanding not over than 3,000 Million Baht Project" in which the 'Asia Plus Securities' can issue and offer 4 types as followings.

- ASPS#1: SN type 'Equity-Linked Notes' with no principal protection
- ASPS#2: SN type 'Reverse Equity-Linked Notes' with no principal protection
- ASPS#3: SN type 'Equity-Linked Notes' with principal protection
- ASPS#4: SN type 'Reverse Equity-Linked Notes' with principal protection

In 2018, the company filed a request to the Office of the SEC for issuing and offering structured notes under the name "Short-term Structured Notes No.1/2018 of Asia Plus Securities Company Limited with Total Outstanding Value of Not Exceeding 3,000 Million Baht". There were four new types of structured notes in the project, providing investors more choices of investment.

However, the offering of structured notes was still limited among institutional investors and high net worth investors according to the definitions of the Office of SEC. In 2018, the company plans to provide the structured notes to investors in order to expand the investor base.

### 3. Exchange Traded Fund (ETF)

During 2012 – 2014, the company, in collaboration with Krung Thai Asset Management Public Company Limited (KTAM), has set up 5 Exchange Traded Funds (ETF), where the company performs as Market Maker (MM) and Participating Dealer (PD), as following.

- KTAM SET Banking ETF Tracker (EBANK) SET Banking Sector Index
- KTAM SET Energy ETF Tracker (ENY) SET Energy & Utilities Sector Index
- KTAM SET Food & Beverage ETF Tracker (EFOOD) SET Food and Beverage Sector Index
- KTAM SET Commerce ETF Tracker (ECOMM) SET Commerce Sector Index
- KTAM SET ICT ETF Tracker (EICT) SET ICT Sector Index

It has to be noted that EBANK EFOOD ECOMM and EICT are the first ETF that use underlying of SET Bank Sector Index, SET Energy & Utilities Sector Index, SET Food and Beverage Sector Index, SET Commerce Sector Index, and SET ICT Sector Index, respectively, in Thailand.



In 2014, the company also set up a new ETF on Thailand's SET50 Index. To summarize, the details of 6 ETF are tabulated below.

No.	Name of ETF	Code	Underlying Sector	Date of Offering	Initial AUM (MB)
1	KTAM SET Banking ETF Tracker	EBANK	SET Bank Sector Index	1-9/11/2012	616
2	KTAM SET Energy ETF Tracker	ENY	SET Energy & Utilities Sector Index	1-8/3/2013	725
3	KTAM SET Food & Beverage ETF Tracker	EFOOD	SET Food and Beverage Sector Index	18-22/3/2013	96
4	KTAM SET Commerce ETF Tracker	ECOMM	SET Commerce Sector Index	27-31/5/2013	151
5	KTAM SET ICT ETF Tracker	EICT	SET ICT Sector Index	5-16/8/2013	101
6	KTAM SET50 ETF Tracker	ESET50	SET50 Index	6-14/3/2014	178

Remark: In total, the sum of initial Asset under Management (AUM) were worth of 1,867 million baht.

All 6 ETFs are managed with passive investment strategy to replicate the returns to be as close as possible to those of the underlying indexes. In this regard, the major expenses, especially the management fees, are lower than other funds. The prominent point of ETF is that it is a tool for individual and institutional investors to diversify their risks and be able to perform an arbitrage investment strategy, while the company will continuously provide the liquidity when they want to buy or sell the ETF in the market.

Although ETF trading is not much popular in Thailand, the company is still bullish that to develop a great variety of financial products will help answer the demand of investors in Thailand in the long run.

## 7) Global Investment

The company has begun the offshore securities investment services to both private and juristic person customers since October 2010 by selecting well-known offshore broker registered in New York Stock Exchange (NYSE) to trade securities and debt instrument overseas. At present, the company's customers are able to trade the offshore listed securities that are registered in 24 countries worldwide covering North America, Europe, and Asia Pacific. The trading orders can be made via the investment consultants or internet system.

The company cooperated with the securities companies and overseas private bank partners to screen for financial products including equity, bonds, debt instruments, mutual fund and structured notes to answer different needs of the customers, especially global structured notes like equity-linked notes and fixed coupon notes which have been considerably interested by investors.

## 8) Securities Borrowing and Lending Business (SBL)

Approved by the Ministry of Finance, the company was licensed to operate Securities Borrowing and Lending (SBL) business and marked the first day of its operation on 14 July 2006. Investors are increasingly interested in this service due to more opportunities for investment, higher returns, and use of SBL as a risk management tool. The borrowers can sell short in order to create a profit scheme when the market is on its way down. Simultaneously, the lenders can create higher returns from long term holding securities.

The customers can borrow for short selling when the prices are expected to decline or for risk management in times of market volatility. Strategic trading such as Arbitrage and Pair Trade can also be conducted. In another respect, retail customers can lend securities and receive returns in a form of fees. In the near future, securities borrowing and lending can help distribute, strengthen, and balance the company's revenue. At present, the company divided this business into 2 types which are the business of securities borrowing and lending for general investors and securities borrowing and lending for institutional investors.

In addition, the SET has also launched a notification about the additional securities eligible for short selling which are the securities with market capitalization of exceeding 5,000 million baht for four consecutive quarters and stocks which is the underlying of securities of SSF, DW or ETF that are traded in the SET (formerly the securities eligible for short selling are the securities in SET100 Index only). It is believed that this notification will be able to encourage the growth of securities borrowing and lending transactions.

## 2.2 Asset Plus Fund Management Company Limited

### Overview business operations

Asset Plus Fund Management is operating fund management businesses, with licenses in:

- Mutual Fund Management
- Private Fund Management
- Securities Brokerage, Securities Trading, and Underwriting of Investment Units
- Futures Trading

Asset Plus Fund Management operates two types of fund management business : mutual fund and private fund management.

As at December 2018, Asset Plus Fund Management had total net assets under management of 31,680 million baht, decreasing 14,852 million baht or 31.92% from 46,532 million baht as at December 2017. The net asset value can be classified as follows.

- **Mutual Fund:** Net asset value for mutual fund was 24,639 million baht, decreasing 11,746 million baht or 32.28% from 36,385 million baht as at December 2017.
- **Private Fund:** Net asset value for private fund was 7,042 million baht, decreasing 3,105 million baht or 30.60% from 10,147 million baht as at December 2017.

In 2018, Asset Plus Fund Management had a net profit of 78.08 million baht increasing 22.30 million baht or 39.98% from 2017. In 2018, total revenue was 461.52 million baht. Of this amount, the revenue arising from the investment brokerage fee was 457.69 million baht, while the revenue from interest income was 3.58 million baht. Other income was 0.25 million baht. Total expense was 364.27 million baht; 119.72 million baht of which was cost associated with investment management business and 244.55 million baht was operational cost.

### Changes and developments of business operations in the past year in 2018

In 2018, Asset Plus Fund Management Company Limited continued to serve investor demands by offering a variety of investment choices and providing investment recommendations that are appropriate to risk tolerance levels of investors and consistent with the market conditions. For the mutual fund business, the company focused on managing existing funds for higher return than standard and to compete with similar funds. At the same time, the company moved forward with seeking innovative investments to generate continuous strong returns. To achieve the goal, the company established eight new funds; four of which were flagship products of Asset Plus Fund Management Company Limited. Of the four products, three were country funds : 1) ASP-VIET, investing in Vietnamese stocks that have high growth potential; 2) ASP-EVOCHINA, investing in Chinese stocks that benefit from an age of new economy which depends on the consumption and service sectors; and 3) ASP-INDIA, investing in Indian stocks that benefit from the country's reform. The last one was a thematic fund, ASP-DISRUPT, which invested in companies that intervened in or changed business operations of other companies to a new model to create better growth opportunity; it is the first of the kind in Thailand.

All four funds received good responses from customers. Combined net asset value (NAV) in December 2018 was 3,554 million baht. Moreover, the company increased sale channels via partners to support selling and repurchasing of investment units and also offered a mobile application to upgrade its services for better customer experience.

### The trends of Asset Management business

For 2019, global investment markets will still face fluctuation from macro factors, including trade wars between the US and China, political situations in Europe, and significantly decreasing money injection by central banks worldwide. Therefore, business operations will remain very challenging this year.

Yet, Asset Plus Fund Management will continue to serve demand of investors with more product choices, planning to offer a wider range of products and services, and to provide investment recommendations that suit risk tolerance levels of investors and consistent with the market condition. Particularly, the mutual fund business will focus on managing existing funds for higher return than standard and to compete with similar funds. At the same time, the company is moving forward with seeking innovative investments to generate continuous strong returns and answer the need of customers. Moreover, the company increasing sale channels, especially via mobile application and partners to support selling and repurchasing of investment units.

## 2.3 Asia Plus Advisory Company Limited

Asia Plus Advisory Company Limited engages in financial advisory services in regard to capital raising via the securities markets for general companies, listed companies, and state agencies and state enterprises. For an overview of business operations, see Investment Banking Business on page no.29



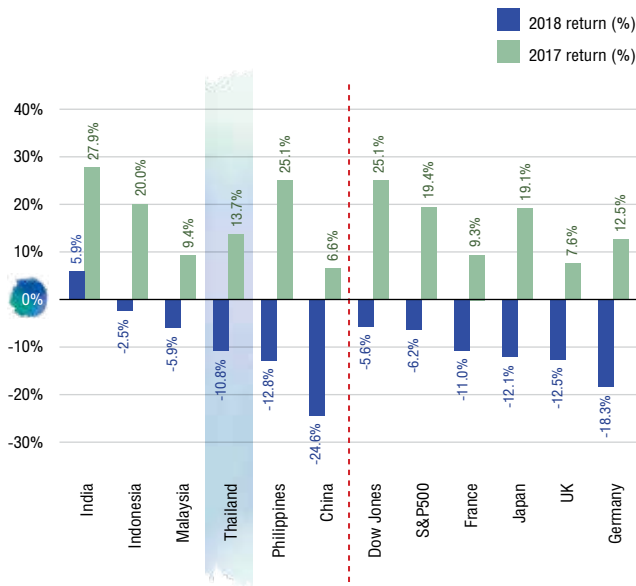
# 2018 Market Summary

## Market in 2018: Overview

In 2018, the return of the Stock Exchange of Thailand decreased 10.82 percent from the end of 2017, in line with other securities markets in Asia, the US, and Europe.

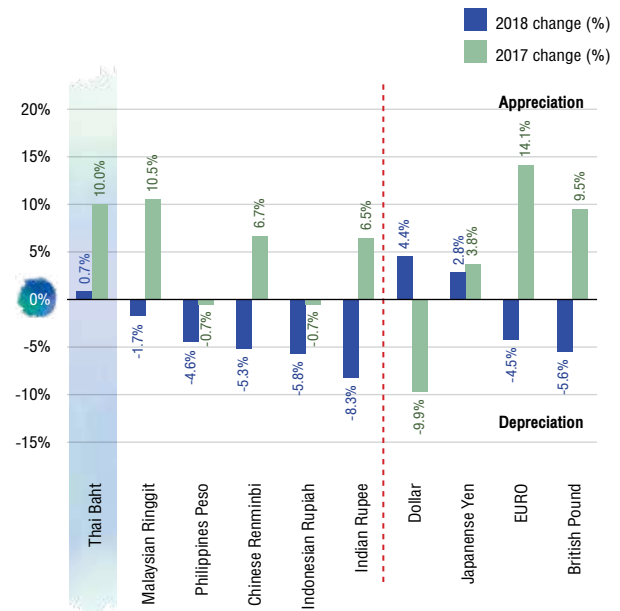
The market fluctuated vehemently throughout the past challenging year. SET Index made a historical high since its first operation at 1,852.51 pts on 27 February 2018 thanks to positive factors like rising global crude oil prices and strong economic expansion worldwide in the first two months of the year. However, at the end of the first quarter continuing the second quarter, the Index plummeted more than 235 pts owing to both overseas and local factors. An America First policy of President Donald Trump sparked trade wars around the globe, while waiving off of online transaction fees of Thai commercial banks caused banking stocks to plunge significantly. Investment atmosphere improved again in the third quarter from development of domestic political situations. But when the last quarter of the year approached, SET Index was back into a correction period again as trade wars escalated, suppressing global economy. Oil prices also tumbled and interest rates entered an uptrend, triggering a move of funds from risky assets to safe assets. On 28 December 2018, the last working day of the year, SET Index closed at 1,563.88 pts.

Global Market Returns in 2017 vs 2018



Source: Bloomberg and Research Department of Asia Plus Securities

Changes of Global Currencies in 2017 vs 2018



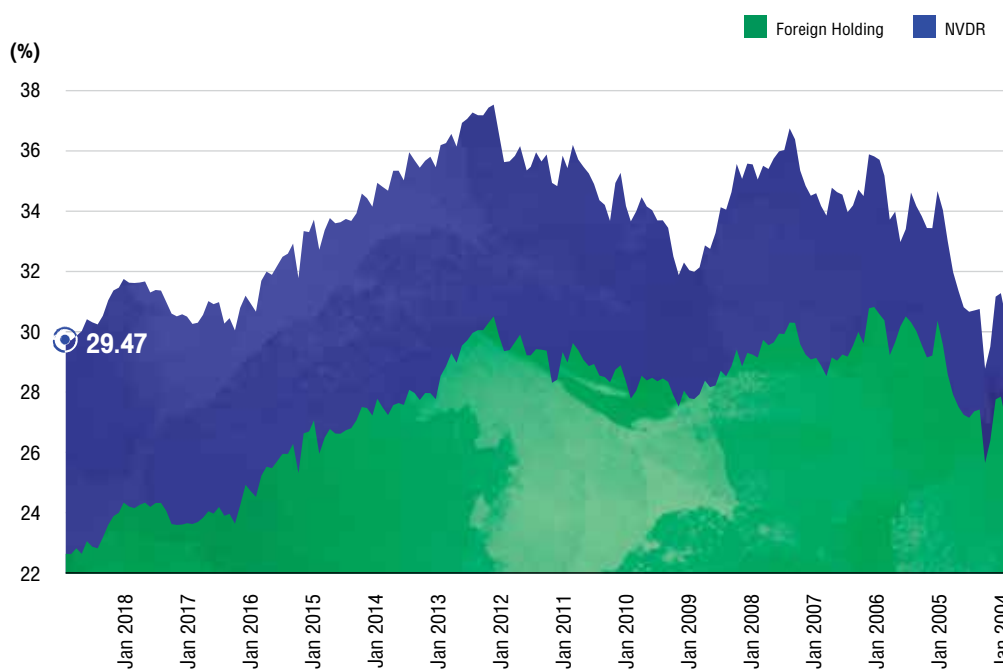
Source: Bloomberg and Research Department of Asia Plus Securities

## Market in 2019: Outlook

We believe the market will improve in 2019 after it has already absorbed the impact of trade wars. The US and China have become more compromising toward each other, suggesting that the trade wars already passed the worst point and the situation will gradually recover. Nevertheless, the economic growth in 2019 will still be suppressed by the aftermath of the trade wars. A research team of Asia Plus Securities Company Limited (Asia Plus Securities or ASPS) estimated Thailand's GDP growth in 2019 at +3.5 percent, down from +4 percent in 2018. Exports will be less dependable from now on and investments and household consumption will instead become economic driving factors, so stocks that are related to domestic economy will get more benefit than those related to global economy.

Fund flows could return in the first and second quarters of 2019. The US inflation rate decelerated, so the US bond yield dropped and got close to Thai bond yield, indicating a decreasing move of funds from risky assets to debt instruments. Importantly, Thailand recorded the biggest foreign net selling in 2018 since the Fed terminated its quantitative easing (QE) measure and pulled the money out of the system in 2014, so foreign holding of Thai stocks dropped significantly to a record low since 2004, resulting in a low P/E ratio but still close to those of neighboring countries. Yet, Thailand has an advantage of high international reserves which can support imports for more than 11 months and cover foreign debts better than other countries in Asia. Moreover, the country has entered an election mode; this is another factor to build up confidence of foreign investors.

### Breakdown of Foreign Holding



Source: Research Department of Asia Plus Securities

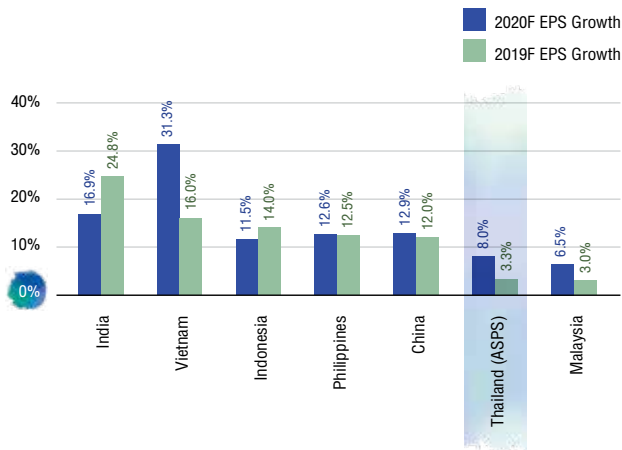
In terms of fundamental factors, Asia Plus Securities research team projected the market earnings per share (EPS) in 2019 to still show growth but at a slower pace than 2018. An oil price assumption in 2019 was cut US\$5 from US\$70/barrel to US\$65/barrel (compared with 2018 average oil price of US\$70.9/barrel), leading to a down revision of earnings forecast of the energy sector. We also revise down 2019 earnings forecast of the petrochemical, construction material, and ICT sectors.

Overall, 2019 market earnings are estimated at 1.11 trillion baht, which is equivalent to a market EPS of 112.2 baht or a growth of 3.3 percent. Industries that would outperformed the market are those with lower-than-usual profit bases in 2018 like media (growing 46 percent), contractor (growing 26 percent), ICT (growing 15 percent), commerce (growing 10 percent), banking (growing 5 percent), and petrochemical (growing 4 percent). In contrast, the energy sector would shrink 6 percent.



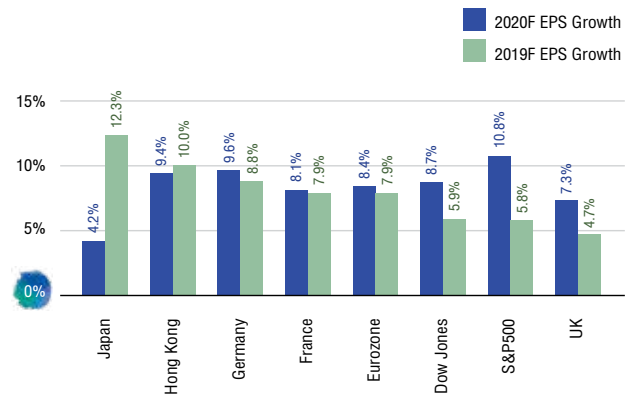
Compared with Asian peers, the SET is still an underperformer. Yet, the Index has dropped until 2019 expected P/E ratio is relatively low at 14.0x and an international reserves ratio of Thailand is still strong, so the SET is still interesting for investment like other stock markets in Asia.

### EPS Growth of Developing Markets



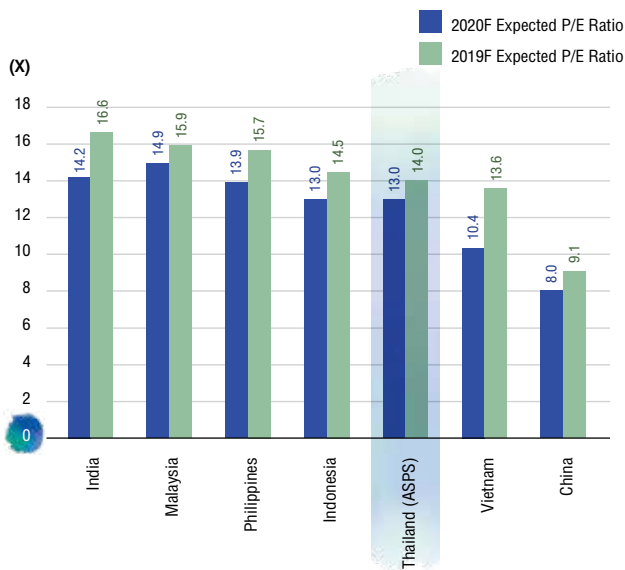
Source: Bloomberg and Research Department of Asia Plus Securities

### EPS Growth of Developed Markets



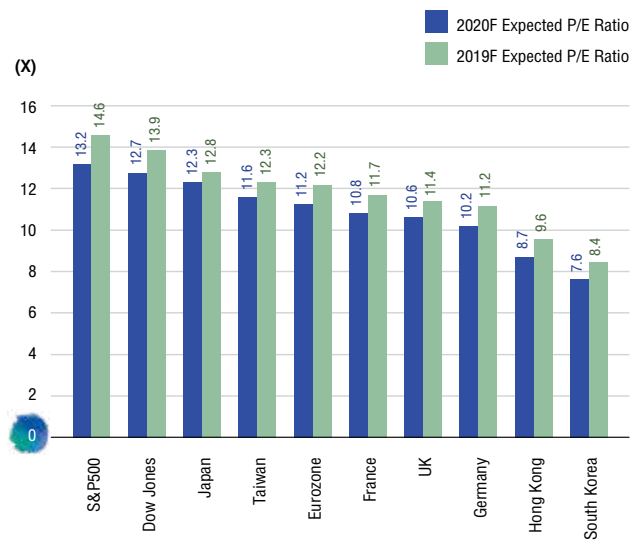
Source: Bloomberg and Research Department of Asia Plus Securities

### Expected P/E Ratio of Developing Markets



Source: Bloomberg and Research Department of Asia Plus Securities

### Expected P/E Ratio of Developed Markets



Source: Bloomberg and Research Department of Asia Plus Securities

SET Index target in 2019 is 1,795 pts (based on a P/E ratio of 16x), under a projection for a return of fund flows to Thailand in the first and second quarters of the year.

### SET Index Sensitivity

PER (X)	Mar 19E	Jun 19E	Sep 19E	Dec 19E
14.0x	1,533	1,545	1,558	1,571
14.5x	1,587	1,600	1,614	1,627
15.0x	1,642	1,656	1,669	1,683
15.5x	1,697	1,711	1,725	1,739
16.0x	1,752	1,766	1,780	1,795
16.5x	1,806	1,821	1,836	1,851
17.0x	1,861	1,876	1,892	1,907

Source: Research Department of Asia Plus Securities

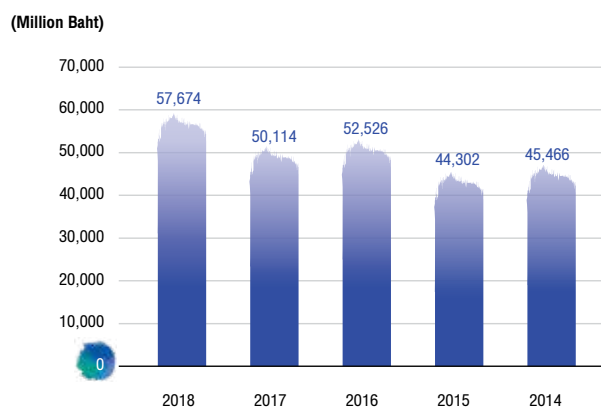
### Competition in the securities business

No new player entered the business in 2018, but the price competition was still aggressive. Fee income of some brokers decreased continuously, reflecting from the average brokerage commission fee rate of the industry at 0.0961 percent, down from 0.1115 percent in 2017. Average daily trading value (proprietary trading excluded) in 2018 was 50 billion baht, rising 12.7 percent from 45 billion baht in 2017. All players were competing by offering a wider product mix and more integrated services. Not only did brokers use social media to provide deeper and quicker information for investors, but they also invested for the development of technology and applications to serve their investors better. Meanwhile, smaller players that had small profit from operations, had not made additional investment, or could not adjust to changes in the brokerage industry tended to sell off their branches or customer bases. In the middle of November 2018, AEC Securities Public Company Limited (AEC) sold its securities and derivatives brokerage related businesses

to UOB Kay Hian Securities (Thailand) Public Company Limited (UOBKHST) and Country Group Securities Public Company Limited (CGS) to restructure the business to a holding company and diversify its income proportion from broker business into non-brokered business instead.

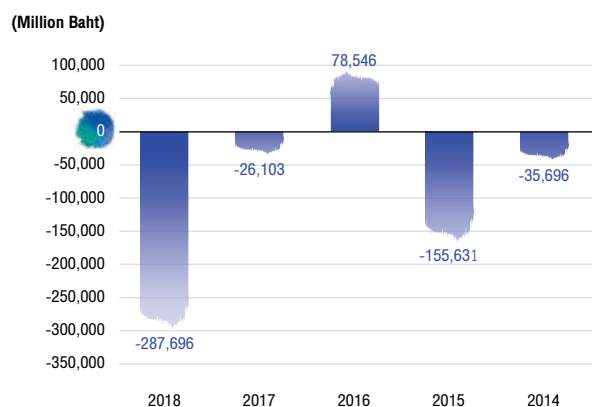
For 2019, apart from intensifying price competition amid the liberalization of brokerage commission fee rate, many brokers will enhance their services with modern technology such as an algorithmic trading program which uses special robots to make trading decisions and perform trading for investors. A number of brokers would also adjust their business models, confirming the picture that those who can diversify their income base and lower dependence on the brokerage business would be able to make better performance amid the increasingly challenging environment. Daily trading value (proprietary trading excluded) in 2019 is projected to stay close to that of 2018 at approximately 50 billion baht.

### Average Daily Trading Value



Source: The Stock Exchange of Thailand

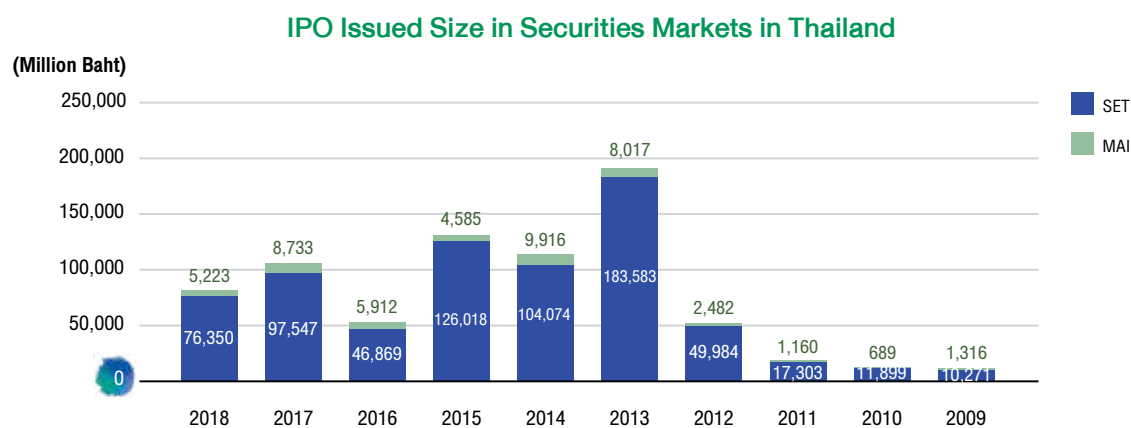
### Foreign Net Buy (Sale)



Source: The Stock Exchange of Thailand

## Overview of investment banking business in 2018 and outlook in 2019

Twenty three companies/securities were listed in the securities markets of Thailand in 2018: eight companies in the SET, one infrastructure fund, three Real Estate Investment Trusts (REIT), and 11 companies in the MAI, with combined capital raising value of 81,572.53 million baht. Overall, the investment banking business showed deceleration in 2018, down from 46 new listed companies and combined capital raising value of 106,279.61 million baht in 2017 or a decrease of 23.25 percent. One important contributing factor was concern about trade wars, which suppressed the economic growth worldwide and caused Thai stocks to swing downward, especially in the last quarter of 2018.



Source: The Stock Exchange of Thailand

## Companies to be Listed in the Markets in 2019

Company	Ticker	Market	No. of IPO shares (Shares)
BBGI Public Company Limited	BBGI	SET	216,600,000
Dohome Public Company Limited	DO	SET	524,160,000
Abatek Public Company Limited	ABA	SET	127,000,000
Absolute Clean Energy Public Company Limited	ACE	SET	1,818,000,000
Index Living Mall Public Company Limited	ILM	SET	105,000,000
Precise Corporation Public Company Limited	PCISE	SET	307,000,000
ZEN Corporation Group Public Company Limited	ZEN	SET	75,000,000
CAZ (Thailand) Public Company Limited	CAZ	MAI	80,000,000
Chic Republic Public Company Limited	CHIC	MAI	360,000,000
Autocorp Holding Public Company Limited	ACG	MAI	156,000,000
All Inspire Development Public Company Limited	ALL	MAI	150,000,000
Arinsiri Land Public Company Limited	ARIN	MAI	150,000,000
Boutique Corporation Public Company Limited	BC	MAI	167,000,000
Chow Energy Public Company Limited	CEPL	MAI	490,000,000
Global Service Center Public Company Limited	GSC	MAI	63,000,000
Inter Medical Care & Lab Hospital Public Company Limited	IMH	MAI	55,000,000
Latex Systems Public Company Limited	LS	MAI	132,432,288
Mitsib Leasing Public Company Limited	MITSIB	MAI	167,000,000
V.L. Enterprise Public Company Limited	VL	MAI	280,000,000
Veranda Resort Public Company Limited	VRANDA	MAI	105,318,328

As of 4 January 2019

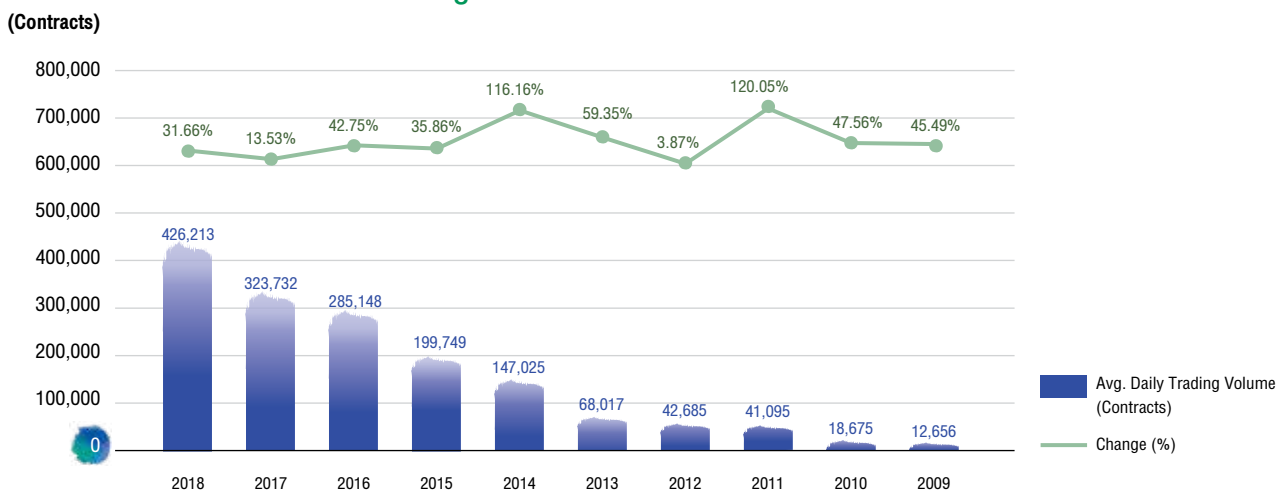
Source: The Stock Exchange of Thailand

## Overview of Thailand Futures Exchange (TFEX) trading in 2018 and outlook in 2019

In 2018, the Thailand Futures Exchange (TFEX) added a new product, Gold Online Futures contract, a cash settled contract based on 99.5 percent purity gold, which is an international trading standard. Accordingly, the gold price in the Thai futures market will directly reflect the gold price of London Bullion Market Association (LBMA) in the UK or the Commodity Exchange (COMEX) in the US, which are the world's important gold markets. In addition, the price calculation will be less complicated because the offering price can be based directly on global gold prices without impact from foreign exchange rates, making it easier for analysis and trading. The trading of Gold Online Futures contracts started from 5 November 2018.

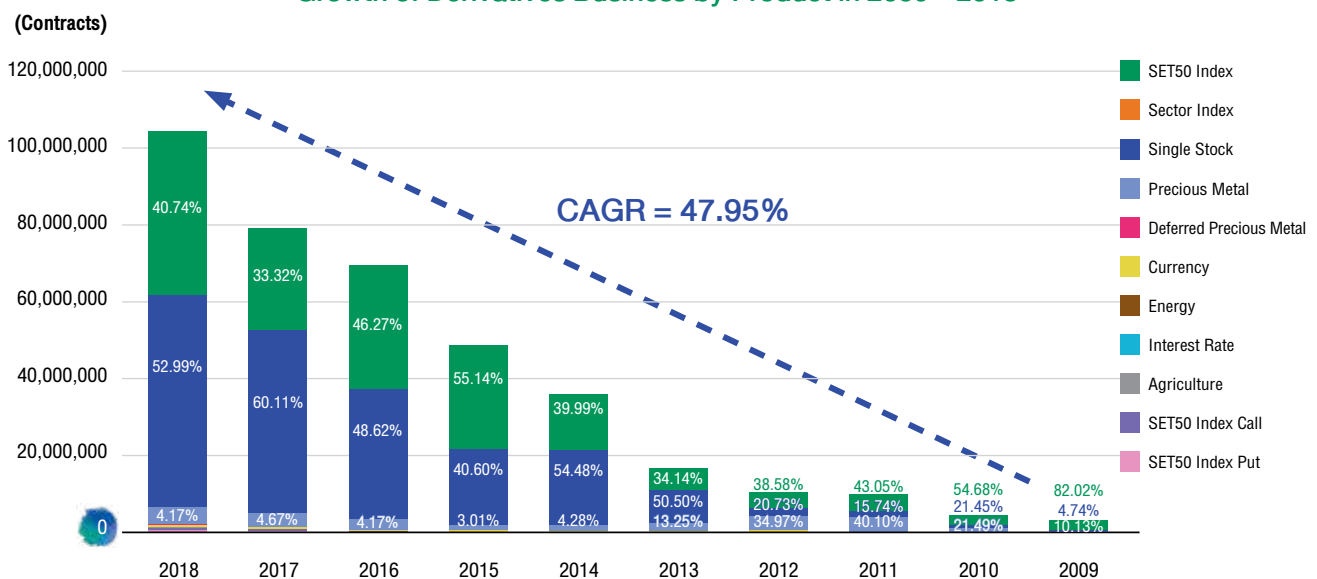
Total trading volume of the TFEX business in 2018 was 104,422,200 contracts or 426,213 contracts/day on average, growing significantly 31.66 percent from 78,990,574 contracts or 323,732 contracts/day on average in 2017. Of all products, trading volume of Single Stock Futures accounted for 52.99 percent or 225,846.71 contracts/day, followed by SET50 Index Futures 40.74 percent or 173,649.14 contracts/day, Gold Futures 4.17 percent or 17,781.32 contracts/day, USD Futures 0.66 percent or 2,799.38 contracts/day, Gold-D Futures 0.1 percent or 434.46 contracts/day, and Rubber Futures 0.03 percent or 140.74 contracts/day.

### Trading Transactions in TFEX in 2009 – 2018



Source: The Thailand Futures Exchange (TFEX) and Research Department of Asia Plus Securities

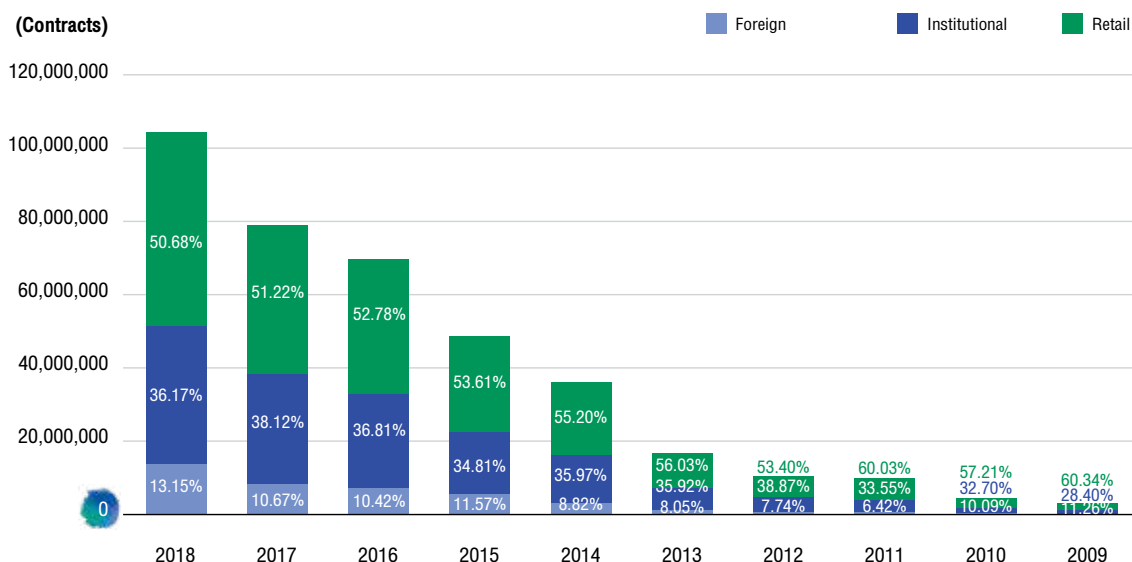
### Growth of Derivatives Business by Product in 2009 – 2018



Source: The Thailand Futures Exchange (TFEX) and Research Department of Asia Plus Securities

Although daily trading volume in the TFEX grew significantly in 2018, open interest as of 28 December 2018 totaled 2,440,223 contracts or a decrease of 13.25 percent from 2,813,036 contracts in 2017, reflecting increasing short-term speculation. Local retail investors accounted for 50.68 percent of total trading in the TFEX, followed by local institutions 36.17 percent and foreign investors 13.15 percent.

### Market Share by Type of Investors

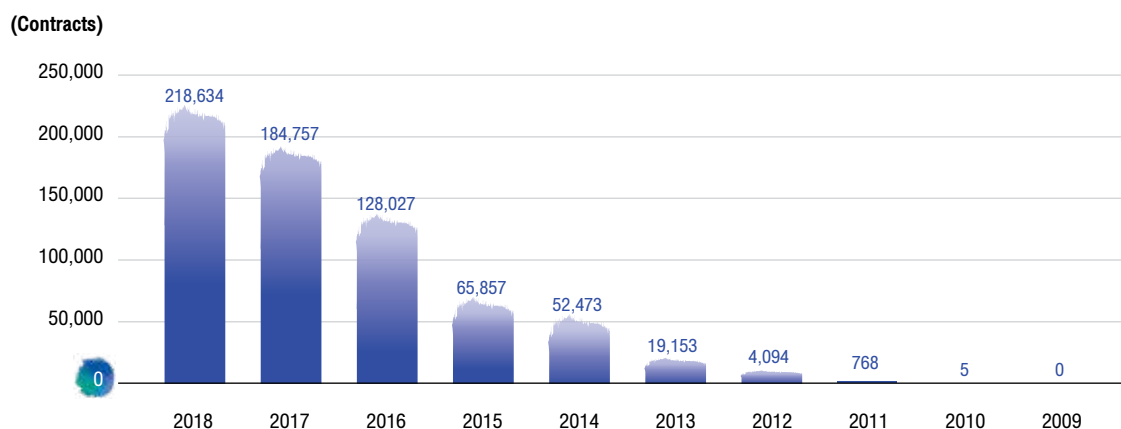


Source: The Thailand Futures Exchange (TFEX) and Research Department of Asia Plus Securities

Trading volume of Single Stock Futures in 2018 was still high like in 2017. The market volatility intensified and SET Index had been swinging downward throughout the last ten months of the year after making a record high in late February, so investors turned to other choices of investment, especially Single Stock Futures, to speculate for profit or manage risk from the market fluctuation.

Average daily trading volume of SET50 Index Futures in 2018 was 173,649 contracts, increasing 61 percent from 107,873 contracts in 2017, possibly because SET Index had been swinging downward throughout the last ten months of the year which resulted in a move of investments to other investment choices. Meanwhile, Single Stock Futures Block Trade had become increasingly popular from 2013 to 2018, evident by increasing transaction volume from 19,000 contracts/day in 2013 to almost 220,000 contracts/day in 2018.

### Daily Trading Volume of Block Trader in 2009–2018



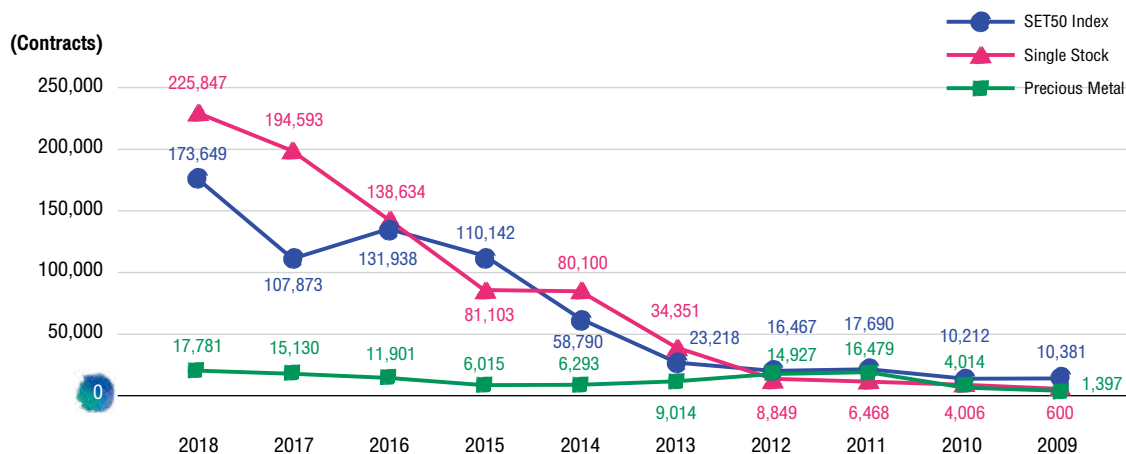
Source: The Thailand Futures Exchange (TFEX) and Research Department of Asia Plus Securities



Trading volume of Gold Futures in 2018 showed continuous growth from 2017. Average daily trading volume in 2018 was 17,781 contracts, increasing 17.52 percent from 15,130 contracts in 2017, mainly because there was a new product, Gold Online Futures, in the market, and global gold prices had increased on weak US Dollar. Moreover, geopolitical risk in many regions and uncertainty about stability and a tax reform measure of Donald Trump at that time had caused a price of gold, as a safe haven, to rise.

Average daily trading volume of USD Futures also increased 97 percent from 1,421.68 contracts in 2017 to 2,799 contracts in 2018. Likewise, average daily trading volume of Rubber Futures in 2018 was 141 contracts, increasing 200 percent from 46 contracts in 2017.

### Trading Volume of Major Products in TFEX in 2009 – 2018



Source: The Thailand Futures Exchange (TFEX) and Research Department of Asia Plus Securities

For 2019, the TFEX would continue growing from 2018 because the significantly rising SET Index could lead to fierce market fluctuation and thus open an opportunity to take profit from SET50 Index Futures and Single Stock Futures both amid the market uptrend and downtrend. Moreover, new products have become increasingly popular such as Gold Online Futures and Rubber Futures, providing more choices for investors to manage their portfolios efficiently.

Block trade transactions in 2019 would also grow from 2018 because investor speculation could rise given the increasingly fluctuating market. Furthermore, access to block trade services has become easier, so securities companies which provide such services have increased their supplies to meet with increasing demands. In addition, the TFEX has revised the category of minimum block trade sizes in 2019, from two groups: 20 contracts and 100 contracts, to four groups: 20 contracts, 100 contracts, 500 contracts, and 1,000 contracts, aiming to answer demands of a more various groups of investors. Accordingly, we believe the sizes of block trade transactions will increase, with estimated average daily trading value of 250,000 contracts.

## Overview of Derivatives Warrants trading in 2018 and outlook in 2019

Since the SET introduced a new product, Derivatives Warrants (DWs), and issued the first DW in the market in July 2009, the product has become increasingly popular, evident by the increasing number and trading value of DWs. In 2018, the outstanding number of DWs increased from 1,324 series at the end of 2017 to 1,564 series, while total trading value grew 74.19 percent from 573,349.47 million baht to 998,720.06 million baht because the market in 2018 had a certain direction so total trading of securities and DWs increased.

For 2019, overall DW trading tends to improve from 2018 because the number of DW issuers has increased, so will the number of DWs. Furthermore, investors have become increasingly interested in DW trading amid the market uptrend and downtrend to increase investments and hedge against risk; this is another factor to boost DW trading volume in 2019.

# Risk Factors

Every business operation has risk. Different types of business have different types and causes of risk. Risk can also change over time; the faster the situation changes, the faster the risk changes as well. For 2018, we can conclude risk factors as follows.

## 1. Business Risk

Business risk happens when a business operation does not meet a company and subsidiary's plans or strategies. Such strategic risk can happen from the company and subsidiary's performance itself or changes of surrounding factors. Asia Plus Group Holdings Public Company Limited and subsidiaries were aware that risk from the business operation could heighten in the next few years because of the notable growth of new business models which depend on the fast-evolving information technology (IT).

The Company and subsidiaries prepared for the challenges by studying and monitoring the evolution or movement of new information technologies to develop strategies and improve the competitiveness in order to minimize the impact from the changing business conditions.

The increasing number of brokers in the market and adjustment of existing brokers to the market situations were another factor the Company and subsidiaries still saw as business risk.

## 2. Compliance Risk

The business operation of the Company and subsidiaries is subject to laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Any changes in the applicable laws or regulations could affect the competition, financial cost, and earnings performance of the Company and subsidiaries. Refusing to comply with or violating the laws, either intentionally or unintentionally, could lead to probation or repeal of business licenses.

To prevent such risk, the Company and subsidiaries assigned the Compliance and Audit Department, which is independent from the Company's management structure, to monitor and govern operation of each unit to ensure compliance with state regulations and the Company's policies and regulations and to track any changes made to the official regulations to inform the relevant units and officers.

On 25 May 2018, the European Union (EU) implemented the General Data Protection Regulation (GDPR), which seeks to enhance the protection of personal data. GDPR is used as an

archetype of Thailand's data protection law, which will have impact on many parties, especially for the businesses that have to collect many forms of personal data from customers. This new law is projected to take effect in 2019.

The SEC informed relevant business operators about the essence and the enforcement of this data protection law. The Company's subsidiary, Asia Plus Securities, was aware of risk from this issue on the securities business operation and intensively prepared for the change in the official regulation.

## 3. Operational Risk

Operational risk means risk that happens from error or inadequacy of internal control of staff in the operational system and IT system, as well as legal risk and external negative impact. Effective management of operational risk will result in smooth business operation and lower operational cost. Important operational risk is as follows.

### 3.1 Risk from crisis incidents

Crisis incidents such as accidents, natural disasters, or unrest situations could happen and disrupt the Company's service and, as a result, the Company could face complaints or compensation claims from customers or related organizations for their damage from the service discontinuity. Accordingly, the Company launched a prevention measure of business contingency and continuity management, which was approved by the Board of Directors and in line with the SEC guideline. The Company and subsidiaries also assessed risk in the case that important work of each unit was disrupted in an emergency and conducted a business impact analysis for future risk management. The Company and subsidiaries reviewed the risk management plan on a regular basis to ensure its efficiency.

### 3.2 Risk from personnel

In the business operation of the Company and subsidiaries, personnel with knowledge, experience, and proficiency are vital to the business success. Amid the increasingly fierce competition at present, many companies are willing to offer better remuneration

and benefit to attract worthy and proficient employees from other companies. If these employees of the Company and subsidiaries are purchased, it could affect part of the revenues, especially if those employees are investment consultants (IC) of the securities company (Asia Plus Securities). Realizing the importance of personnel in fostering the Company and subsidiaries' stable and continuous business operation, the Company and subsidiaries had been providing training for personnel of various departments and levels and offering reasonable remuneration, which is in line with the notification of the SET and the market condition and competition.

## 4. Credit Risk

### 4.1 Risk from the margin loan business

The Company's subsidiary, Asia Plus Securities, set a guideline for controlling risk from the margin loan business, mainly by limiting the margin amount based on a financial status and solvency of each customer, with regular review of the margin limit to make it appropriate to current financial status and trading behavior of the customer. Moreover, margin loan of each customer is also limited below the official level, so is the combined margin loan size. Asia Plus Securities limits the combined margin loan size of the company at not exceeding 50 percent of the official level.

In addition, Asia Plus Securities has a list of securities that would be allowed to trade in a margin account and set an appropriate margin rate for each securities, selecting only quality securities by considering from its fundamental factors and free float. The company also fixed the number of securities that would be allowed to be purchased or used as collateral to prevent a problem of too much concentration in any particular securities.

The Credit Committee would review such measures at least once a month. A practice guideline was also made in regards to collateral depositing, collateral calling, and collateral forcing, which would be enforced strictly to prevent possible risk to customers and the company. The Credit Committee would meet every week to consider any arising issues about loan and risk from the margin loan business.

Related to bad debt risk management, Asia Plus Securities has prepared a measure to control risk from bad debts by requiring that a customer's credit be assessed when opening a trading account to determine appropriate margin loan amount for each customer and the approved margin loan amount has to be reviewed on a regular basis. The Credit Committee would meet every week to consider any arising issues about loan and risk from the margin loan business. Moreover, Asia Plus Securities also made appropriate authorization regarding margin loan approval.

### 4.2 Risk from the securities brokerage business

A securities brokerage business has only short-term risk when cash account customers cannot pay the settlement price within T+2 days after their trading order and the state also has a strict regulation of 20 percent collateral before trading.

However, Asia Plus Securities still has some risk, so the company launched a measure to limit the risk by selecting only customers who have knowledge, understanding, and experience in investment and considering credit line that was proper to the customer's financial status and solvency. Moreover, the Credit Committee would review the approved credit line on a regular basis, together with the customer's trading results, and strictly control the adequacy of the collateral.

### 4.3 Risk from the derivatives trading business

In operating a derivatives business, Asia Plus Securities has risk that a customer may have bigger loss from investment in futures contracts than the value of their initial margin, which means the margin is not enough to pay debts to the Clearing House. Therefore, in order to reduce such risk, the company had a measure of selecting customers with experience in derivatives investment and setting a proper limit for investment based on financial status and solvency of each customer. The company also monitors the trading results of the customer and reviews the approved limit regularly to prevent risk from massive loss in the customer account as well as applies a force closing if the customer fails to comply with the company's request about additional margin call.

As of 31 December 2018, Asia Plus Securities had cash account receivables of 585.29 million baht and credit balance account receivables of 1,544.16 million baht. In 2018, the company made a provision for doubtful accounts of 0.4 million baht. Asia Plus Securities has a policy of making provision for the whole amount of bad debts and doubtful accounts.

### 4.3 Credit risk from investment

At the end of 2018, the company had investment in instruments which had credit risk as follows: local private bonds of 342.58 million baht, global private bonds of 64.52 million baht, and bills of exchange of 118.56 million baht, or net investment with credit risk of 525.66 million net. Possible risk includes risk from impairment of debt instruments and risk from debt default as a result of changing credit status of the instrument issuers. However, this risk management is under the responsibility of the Investment Committee, which takes care of every dimension of investments.

## 5. Market Risk

Market risk happens from uncertainty and fluctuation of economic variables which could affect the prices of assets in which the Company and subsidiary (Asia Plus Securities) have invested, i.e. prices of common shares, interest rates, foreign exchange rates, and commodity prices. The Company and Asia Plus Securities have prevented risk from this issue by appointing Investment Committee and Equity Derivatives Committee Derivatives Committee to be responsible for issuing policies and guidelines for the Investment Department and Equity Derivatives Department unit to properly manage risk in each securities or derivatives, based on fundamental factor analysis to distribute investment to both short-term and long-term products by asset classes, e.g., common shares, bonds, and gold. The Committees has also provided a regulation to control risk from impairment of investment in any particular assets. In addition, a market risk management unit was appointed to monitor and control market risk of each business.

### 5.1 Risk from fluctuation of common share prices

At the end of 2018, the Company and subsidiary (Asia Plus Securities)'s investment at the market value in both local and foreign common shares and other financial instruments that had risk from price fluctuation totaled 1,144.47 million baht net, which consisted of 305.14 million in global investments and 839.33 million baht in local investments.

The Company has prevented risk from the investments by appointing an Investment Committee to be responsible for investment policies and risk management for the investment portfolio, which has distributed investment in both short-term and long-term products, and other risk management measures.

At the same time, Asia Plus Securities has a unit to operate a market maker portfolio of warrants issued by the Company and ETF and a derivatives position and hedging portfolio. These two businesses are arbitrage transactions, so their risk management is different from a normal portfolio. Asia Plus Securities had appointed a Equity Derivatives Committee to set a direction and manage risk of the warrants portfolio of and other forms of derivatives and risk distribution with common share holdings.

At the end of 2018, Asia Plus Securities, had offered 13.77 million baht derivatives warrants for sales and invested in local common shares by 594.95 million baht to distribute risk.

### 5.2 Risk from fluctuation of interest rates

The Company and subsidiary (Asia Plus Securities) had investments in instruments that had risk from the interest rate fluctuation at 525.66 million baht in total, which consisted of 342.58 million baht in local private bonds, 64.52 million baht in foreign private bonds, and 118.56 million baht in bills of exchange. There was also risk from the impairment of debt instruments from the change of interest rate according to the market condition and the change of financial status of bond issuers. The investment in debt instruments was also under the Company's investment policies.

### 5.3 Risk from foreign exchange rates

The Company and subsidiary (Asia Plus Securities) had investments in foreign securities and investment units that had underlying assets overseas, which included funds directly established overseas and foreign investment funds established and operated by local asset management companies.

For direct investment in foreign securities, the Investment Committee would consider whether to make foreign exchange hedging for all or part of the investment at an appropriate time. For investment via foreign investment funds that were established and operated by local asset management companies, those fund managing companies would make hedging according to the policy stated in the filing document of each fund and would report net asset value in Thai Baht to the Company.

## 6. Liquidity Risk

The Company's subsidiary (Asia Plus Securities) has been able to maintain net capital ratio (NCR) at a higher rate than the SEC standard. As of 31 December 2018, Asia Plus Securities had net capital of 4,217.21 million baht or a NCR of 436.57 percent.



# General Corporate Information

## Company

Name	Asia Plus Group Holdings Public Company Limited
Registered No.	0107537001722
Head Office	3/1 Floor, Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	0 2285 1666, 0 2285 1888, 0 2680 1111
Facsimile	0 2285 1901
Type of Business	Holding Company
Website	<a href="http://www.asiplusgroup.co.th">www.asiplusgroup.co.th</a>
Registered Capital	2,521,945,020 baht, including 2,521,945,020 common shares, 1 baht per share (as of 31 December 2018)
Register Paid-up Capital	2,105,656,044 baht, including 2,105,656,044 common shares, 1 baht per share (as of 31 December 2018)

## Subsidiary company

Name	Asset Plus Fund Management Company Limited
Registered No.	0105547011826
Head Office	17 <sup>th</sup> Floor, Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	0 2672 1000
Facsimile	0 2286 4470
Type of Business	Fund Management
Website	<a href="http://www.assetfund.co.th">www.assetfund.co.th</a>
Registered Capital	200,000,000 baht, including 20,000,000 common shares, 10 baht per share (as of 31 December 2018)
Register Paid-up Capital	200,000,000 baht, including 20,000,000 common shares, 10 baht per share (as of 31 December 2018)

## Subsidiary company

Name	Asia Plus Advisory Company Limited
Registered No.	0105551042137
Head Office	11/1 Floor, Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	0 2680 4000
Facsimile	0 2670 9291
Type of Business	Financial Advisory
Website	www.asiaplusadvisory.co.th
Registered Capital	15,000,000 baht, including 3,000,000 common shares, 5 baht per share (as of 31 December 2018)
Register Paid-up Capital	15,000,000 baht, including 3,000,000 common shares, 5 baht per share (as of 31 December 2018)

## Subsidiary company

Name	Asia Plus Securities Company Limited
Registered No.	0105557088431
Head Office	3/1 Floor, Sathorn City Tower, 175 South Sathorn Road, Khwaeng Tungmahamek, Khet Sathorn, Bangkok 10120
Telephone	0 2285 1666
Facsimile	0 2285 1901
Type of Business	Securities Business
Website	www.asiaplus.co.th
Registered Capital	4,500,000,000 baht, including 450,000,000 common shares, 10 baht per share (as of 31 December 2018)
Register Paid-up Capital	4,500,000,000 baht, including 450,000,000 common shares, 10 baht per share (as of 31 December 2018)

## Other References

### Share Registrar

Thailand Securities Depository Company Limited  
 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand  
 Tel: 0 2009 9000 Fax : 0 2009 9991 SET Contact center: 0 2009 9999  
 E-mail: SETContactCenter@set.or.th Website: www.set.or.th/tsd

### Auditor

Ms. Rungrapa Lertsuwankul Certified Public Account No. 3516, and/or  
 Ms. Ratana Jala Certified Public Account No. 3734 and/or  
 Ms. Rachada Yongsawadvanich Certified Public Account No. 4951 and/or  
 Ms. Wanwilai Phetsang Certified Public Account No. 5315 of

EY Office Limited

33<sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Thailand  
 Telephone: 0 2264 9090 Facsimile: 0 2264 0789  
 E-mail: EY.Thailand@th.ey.com Website: www.ey.com

## Investment in companies at 10% or more of paid up capital

As at 31 December 2018, investments held by the Company exceed 10 percent of the issued share capital of the investee are as follows:

Company's name	Type of business	Type of shares	No. of shares issued	No. of share held	Percentage of share holding
<b>Subsidiaries</b>					
<b>1. Asset Plus Fund Management Company Limited</b> 17 <sup>th</sup> Floor, Sathorn City Tower, 175 South Sathorn Rd., Khet Sathorn Bangkok 10120  Telephone: 0 2672 1000 Facsimile: 0 2286 4470 www.assetfund.co.th	Fund Management	Ordinary	20,000,000	19,999,996	99.99%
<b>2. Asia Plus Advisory Company Limited</b> 11/1 Floor, Sathorn City Tower, 175 South Sathorn Rd., Khet Sathorn, Bangkok 10120  Telephone: 0 2680 4000 Facsimile: 0 2670 9291 www.asiaplusadvisory.co.th	Financial Advisory	Ordinary	3,000,000	2,999,997	99.99%
<b>3. Asia Plus Securities Company Limited</b> 3/1 Floor, Sathorn City Tower, 175 South Sathorn Rd., Khet Sathorn, Bangkok 10120  Telephone: 0 2285 1666 Facsimile: 0 2285 1901 www.asiaplus.co.th	Securities Services	Ordinary	450,000,000	449,999,982	99.99%
<b>Other</b>					
<b>1. Bangkok SMBC Consulting Company Limited</b> 10 <sup>th</sup> Floor, Q.House Lumpini Building, 1 South Sathorn Road, Khet Sathorn, Bangkok 10120  Telephone: 0 2677 7270-5 Facsimile: 0 2677 7279	Consulting Service	Ordinary	20,000	2,000	10.00%
<b>2. Cyber VC Pte. Ltd.</b> 60 Payar Lebar Road, #09-39, Paya Lebar Square, Singapore 409451	Holding Company	Ordinary	8,220,000	1,143,950	13.92%

## Issuance of other securities

### Debenture

As at 31 December 2018, there is no outstanding of debenture.

### Bill of Exchange

The Company was granted approval by the Securities and Exchange Commission to offer the medium term note program for bills of exchange as detailed below:

<b>Type of offering</b>	Private placement specific for institutional investor only
<b>Type of securities</b>	Name registered short-term bill of exchange
<b>Program</b>	Medium term note program for 2 years
<b>Tenor of Program</b>	2 years
<b>Issue size</b>	3,000,000,000 baht
<b>Tenor of bill of exchange</b>	Not exceeding 270 days
<b>Interest rate</b>	No interest payment
<b>Issuer rating</b>	The Company got “A(thai)” for National Long-Term Credit Ratings and “F1(thai)” for National Short-Term Credit Ratings from Fitch Rating (Thailand) Co.,Ltd. on 12 July 2018.

As of 31 December 2018, the outstanding of short-term bill of exchange is 450 million baht which will mature on 5 February 2019.

# Shareholders Structure

## Shareholders Structure of Asia Plus Group Holdings Public Company Limited

List of 10 major shareholders as at most recent record date, 13 March 2019

Name	No. of shareholding	% of paid-up capital
1. Mr. Chattri Sophonpanich's family and associated companies <sup>1/</sup>	307,541,855	14.61%
2. Bangkok Bank Public Company Limited	178,099,980	8.46%
3. Dhipaya Insurance Public Company Limited	85,780,200	4.07%
4. Mr. Songsak Jitjuajun	70,000,000	3.32%
5. Mr. Kongkiat Opaswongkarn <sup>2/</sup>	60,556,981	2.88%
6. Thai NVDR Company Limited	57,308,484	2.72%
7. Mr. Yongyudh Charanvas	43,050,900	2.04%
8. Bualuang Siriphol Corporate Governance Fund	18,922,400	0.90%
9. Mr. Khattiya Rojanatrikul	17,000,000	0.81%
10. Mr. Burana Chavalittamrong	15,000,000	0.71%
11. Others	1,252,395,244	59.48%
<b>Total</b>	<b>2,105,656,044</b>	<b>100.00%</b>

Notes: The Company's paid up capital as of 13 March 2019 was 2,105,656,044 baht (Par value 1.00 baht/share)

<sup>1/</sup> consisting of Mr. Chattri Sophonpanich (holding 4.58%) Mr. Chali Sophonpanich (holding 0.40%) Mr. Chartsiri Sophonpanich (holding 0.12%) Mrs. Savitree Ramyarupa (holding 0.11%) Mrs. Nintira Sophonpanich (holding 0.04%) Mr. Noppadol Ramyarupa (holding 0.01%) Mrs. Suchada Leesawadtrakul (holding 2.60%) Miss Siriporn Sophonpanich (holding 0.05%) Mr. Chanond Sophonpanich (holding 0.06%) Ms. Chavisa Ramyarupa (holding 0.05%) Mr. Ched Ramyarupa (holding 0.05%) Asia Sermkij Company Limited (holding 6.29%) Jatubhut Holding Company Limited (holding 0.02%) Rabin Holding Company Limited (holding 0.23%) Asia Industrial Park Company Limited (holding 0.01%) by which two representatives are director of the company, namely Mr. Chali Sophonpanich, Chairman of the Board of Directors and Mrs. Nintira Sophonpanich, Director.

<sup>2/</sup> consisting of Mr. Kongkiat Opaswongkarn (holding 0.03%) Mr. Gavin Opaswongkarn (holding 1.42%) Ms. Virin Opaswongkarn (holding 1.42%), by which one representative, Mr. Kongkiat Opaswongkarn is the Chief Executive Officer of the Company.

## Shareholders Structure of Asia Plus Securities Company Limited (Core company)

List of major shareholders as at 31 December 2018

Name	No. of shares	% of paid-up capital
1. Asia Plus Group Holdings Public Company Limited	449,999,982	99.999996
2. Mr. Pithayain Assavanig	9	0.000002
3. Ms. Vimolpan Suwantewatooop	9	0.000002

Notes: Paid up capital as of 31 December 2018 was 4,500,000,000 baht (Par value 10 baht/share)



# Dividend Payment Policy

## The Company's dividend payment policy

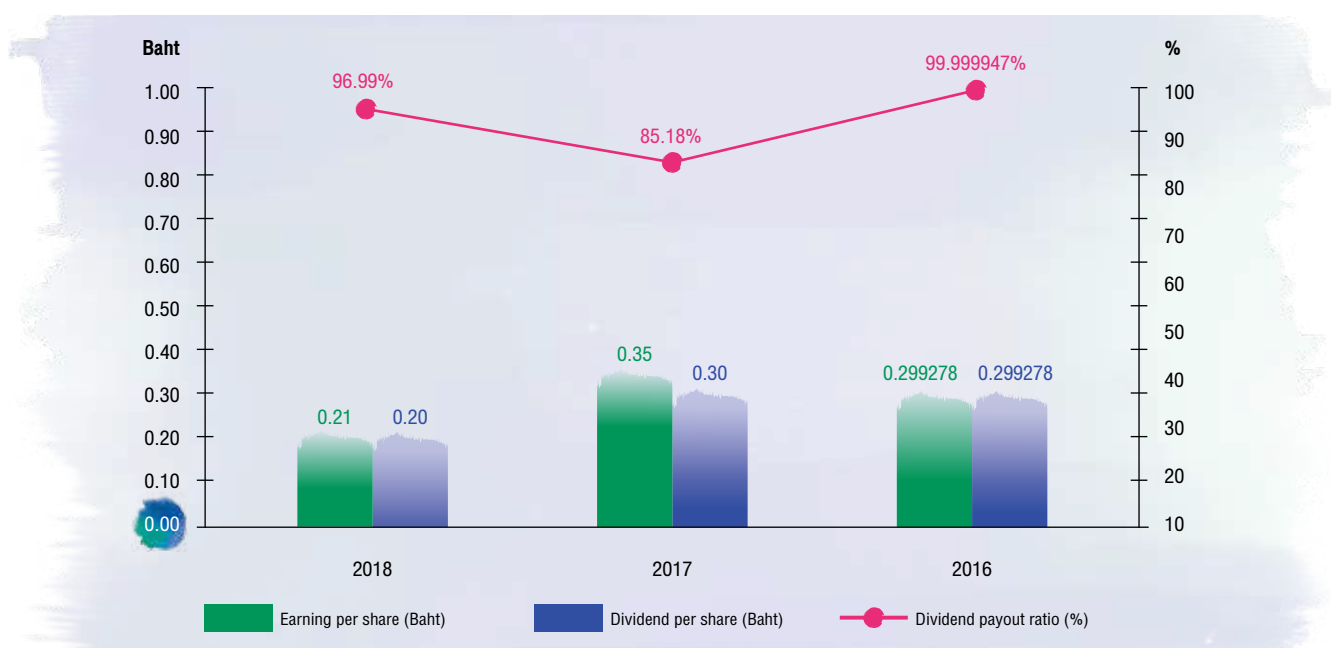
The Company's dividend payment policy dictates that the dividend being paid to shareholders must not be less than 75% of annual net profit, except cases where the company needs to retain that profit for its business expansion or other important business activities.

The Company's profit from operation in 2018 equated to 434,200,128 baht. The Board of Directors resolved to propose to the Annual General Meeting of Shareholders No.25 which will be held on 24 April 2019 to approve to pay the dividend from 2018 operating results to the shareholders at the rate of 0.20 baht per share totaling 421,131,208.80 baht equal to 96.99 percent of the dividend payout ratio.

The interim dividend was made on 10 September 2018 at the rate of 0.10 baht per share, totaling 210,565,604.40 baht. The final dividend which will be proposed to the shareholder's meeting for approving of 0.10 baht per share, totaling 210,565,604.40 baht and shall be made on 13 May 2019 after obtaining approval from the Annual General Meeting of Shareholder No.25.

## Dividend payments for the past three years

(Separate financial statements)



	2018	2017	2016
Earning per share (Baht)	0.21	0.35	0.299278
Dividend per share (Baht)	0.20	0.30	0.299278
Dividend payout ratio (%)	96.99	85.18	99.999947

## The Subsidiaries' dividend payment policies

The Subsidiaries' dividend payment policies are the same as the Company by which the dividend paid to shareholders must not be less than 75% of the net profit, except for cases where the company needs to retain that profit for its business expansion or other new business activities.

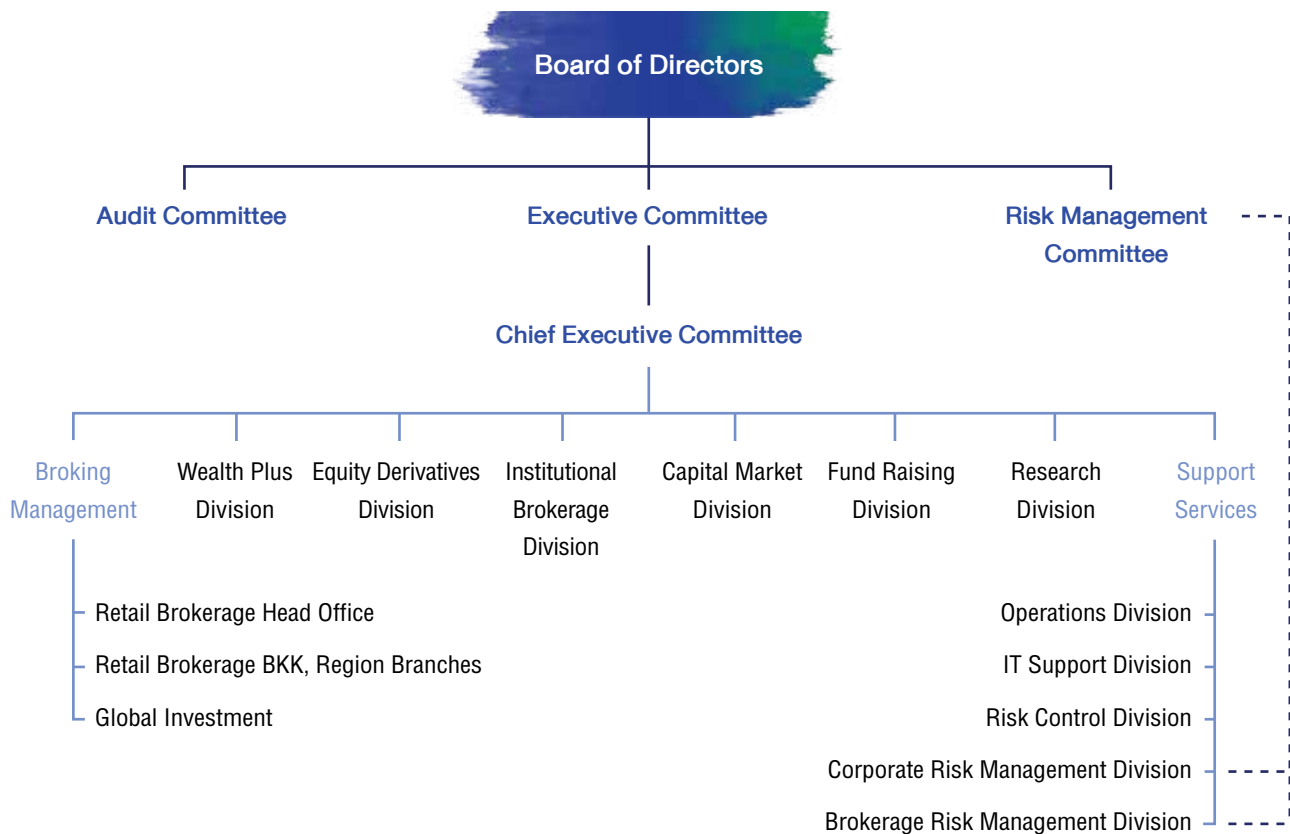
# Management Structure

## 1. Organization Chart

### Asia Plus Group Holdings Public Company Limited



### Asia Plus Securities Company Limited (Core Company)



## 2. Board of Directors

### 2.1 The Company' Board of Directors

As at 31 December 2018 the Company has 9 directors comprising a mix of directors representing major shareholders, executive directors and independent directors. Out of total 9 directors, there are 4 independent directors who neither being representative of major shareholders nor executive.

List of members of the Board of Directors is given below:

Name	Position	Number of meetings attended/Total meetings held
1. Mr. Chali Sophonpanich <sup>1/</sup>	Chairman of the Board of Directors	9/11
2. Mr. Kongkiat Opaswongkarn <sup>1/</sup>	Chief Executive Officer	10/11
3. Mr. Virach Aphimeteetamrong	Independent Director/Chairman of the Audit Committee	10/11
4. Mr. Michael David Roberts	Independent Director	11/11
5. Mr. Sopon Punyaratabandhu	Independent Director/Member of the Audit Committee	11/11
6. Mr. Satit Chanjavanakul	Independent Director/Member of the Audit Committee	11/11
7. Mrs. Nintira Sophonpanich <sup>1/</sup>	Director	11/11
8. Mr. Patchara Surajaras	Executive Director	11/11
9. Mr. Pithayain Assavanig	Executive Director	11/11

Mr. Sutthirak Hotakasapkul, Senior Vice President of the Office of Board Secretariat, is the Company Secretary and secretary of the Board of Directors.

Remark: <sup>1/</sup> Directors who are representatives of major shareholders comprise :

- Mr. Chali Sophonpanich and Mrs. Nintira Sophonpanich represent Asia Sermkij Company Limited.
- Mr. Kongkiat Opaswongkarn

In 2018, the record of directors' attendance in the other sub-committee meetings are available under "Corporate Governance" in page no.85

#### Authorized directors

The name and number of directors empowered to sign on behalf of the Company are: the joint signatures of any two of the following four directors with the Company's seal affixed, namely: Mr. Chali Sophonpanich, Mr. Kongkiat Opaswongkarn, Mr. Patchara Surajaras and Mr. Pitayain Assavanig.

#### The scope and responsibilities of the Board of Directors

1. To perform duties with knowledge and competency, using discretion independently with responsibility, caution, and honesty and conducting the Company's business in accordance with the laws, the Company's objectives and regulations, the resolution of the Board of Directors Meeting, and the resolution of the Shareholders Meeting.
2. To determine the visions, objectives, policies, goals, and strategies of the Company, approve practical operational plans and annual budgets and suitable resource and technology allocation, be responsible for managing risks that could affect all stakeholders, and ensure efficient and effective operations of the management and compliance with the Company's policies, operational plans, and budgets, as well as ensure regular reviews of the operational plans, strategies, and business goals.

3. To consider and acknowledge conflict of interests and related transactions by taking the suitability and the compliance with rules and regulations of regulators into account and to prevent an inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
4. To consider, review, examine, and approve business expansion and investment plans suggested by the management team for the best interest of the Company and for the fairness of all stakeholders.
5. To make approval on issues that are beyond the authority of the Executive Committee.
6. To consider and amend the name(s) of authorized director(s) binding the Company in any legal acts on behalf of the Company.
7. To ensure that the Company and subsidiaries have proper accounting system, financial reporting, audit, risk management, internal control, and reliable internal audit and to regularly follow up on, monitor, and evaluate the risk management, internal control, and internal audit systems for the best efficiency and effectiveness.
8. To ensure that the management regularly monitors, evaluates, and reports on the Company's financial status. If the Company faces potential or actual financial difficulties, the Board is obliged to ensure that the Company determines financial solution plans for the survival of the Company or the benefit of all stakeholders.
9. To determine measures and mechanisms, both in a direct and/or indirect ways, to enable the Company to control and manage business operations of subsidiaries and affiliates to ensure their full compliance with the Company's policies, measures, and mechanisms, applicable laws, and notifications, rules, and regulations of regulators in order to protect investment benefit of the Company in those subsidiaries and affiliates.
10. To monitor and evaluate the performance of the management regularly, determine the remuneration structure, and review the succession plan.
11. To ensure effective human resource management and development to assure that the Company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff who receive fair treatment.
12. To establish a clear anti-corruption policy and practice guideline, including communication and staffing training, and strive to extend the anti-corruption efforts to all stakeholders.
13. To operate the business for the benefit of shareholders, ensure that the shareholders' meetings are conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights.
14. To inform the Company with no delay upon any conflicts of interest in the contract performed with the Company or an increase or decrease of share or debenture holding of the Company or affiliates.
15. To ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.
16. To develop corporate culture of compliance and ethical conduct and lead by example.
17. To nurture innovation and promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.
18. To appoint a Company Secretary who has necessary qualifications, knowledge, skills, and experience to support the Board in performing its duties, including providing advice on corporate governance and legal, regulatory, and administrative requirements.

#### **The scope and responsibilities of the chairman of the Board of Directors**

1. To oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objectives.
2. To encourage the directors to carry out their duties with accountability and good governance and ensure that all directors contribute to the Company's ethical culture.
3. To summon a Board of Directors meeting and preside over the meeting and to have an additional vote as a casting vote in the case of an equality of votes.
4. To ensure effective Board of Directors meeting, allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly and encourage directors to ask questions and exercise independent judgement in the best interest of the Company.

5. To promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors and between the board and the management.

## 2.2 The Board of Directors of Asia Plus Securities Company Limited (Core company)

As at 31 December 2018, Asia Plus Securities Company Limited has 9 directors comprising;

Name	Position	Number of meetings attended/Total meetings held
1. Mr. Chali Sophonpanich	Chairman of the Board of Directors	9/11
2. Mr. Kongkiat Opaswongkarn	Chief Executive Officer	10/11
3. Mr. Virach Aphimeteetamrong	Independent Director/Chairman of the Audit Committee	10/11
4. Mr. Michael David Roberts	Independent Director	11/11
5. Mr. Sopon Punyaratabandhu	Independent Director/Member of the Audit Committee	11/11
6. Mr. Satit Chanjavanakul	Independent Director/Member of the Audit Committee	11/11
7. Mrs. Nintira Sophonpanich	Director	11/11
8. Mr. Patchara Surajaras	Executive Director	11/11
9. Mrs. Jeeraphat Pimantip	Executive Director	11/11

Mr. Sutthirak Hotakasapkul, Senior Vice President of the Office of Board Secretariat, is the secretary to the Board of Directors.

### Authorized directors

The name and number of directors empowered to sign on behalf of the company are: the joint signatures of any two of the following four directors with the Company's seal affixed, namely: Mr. Chali Sophonpanich, Mr. Kongkiat Opaswongkarn, Mr. Patchara Surajaras and Mrs. Jeeraphat Pimantip.

### The scope and responsibilities of the Board of Directors

1. To set the company policies and to clearly identify the company strategy, objective and business plans.
2. To supervise the Management such that the Management will effectively and efficiently proceed along the stipulated policies.
3. To oversee and ensure that the company maintain an appropriate and efficient internal control and risk management system.
4. To approve matters deemed over and above responsibility of Executive Committee.
5. To consider and acknowledge conflicts of interest and related transactions with emphasis on following the Stock Exchange of Thailand guidelines.
6. To oversee and manage the Company in compliance with the laws, the Company's objects, the Company Articles of Association and the shareholders' resolutions.

### The scope and responsibilities of the Chairman of the Board of Directors

Besides the responsibilities of the Company's director, the additional responsibilities that the Chairman of the Board of Directors has to take the responsibilities are calling for the Board of directors meeting, being the Chairman of the meeting, casting vote in cast of a tie vote, leading the Board to ensure its functions effectively and ensuring that all board members receive timely information needed to deliberate on agenda items.



### 3. The executives

#### 3.1 The Company's executives

The Company's executives (according to the definition of the Notification in the Securities and Exchange Commission No.KorChor.17/2551) as at 31 December 2018 are as below.

1. Mr. Kongkiat	Opaswongkarn	Chief Executive Officer
2. Mr. Chali	Sophonpanich	Executive Director
3. Mr. Patchara	Surajaras	Executive Director
4. Mr. Pithayain	Assavanig	Executive Director, Chief Finance Officer and Chief Accountant
5. Ms. Vimolpan	Suwantewatoop	Executive Vice President
6. Mr. Chirasak	Ongpaibool	Executive Vice President

##### The scope and responsibilities of the Chief Executive Officer

1. To set the Company policies, objectives and business strategies for the executives and propose to the Board of Directors to approve.
2. To supervise the executives such that the executives will effectively and efficiently proceed along the stipulated policies, objectives, business plan and business strategies in order to achieve the business goal and budget which approved by the Board of Directors.
3. To approved the expense larger than the Executive director.

#### 3.2 The executives of Asia Plus Securities Company Limited (Core company)

The executives of Asia Plus Securities Company Limited (according to the definition of the Notification in the Securities and Exchange Commission No.KorChor.17/2551) as at 31 December 2018 are as below.

1. Mr. Kongkiat	Opaswongkarn	Chief Executive Officer
2. Mr. Chali	Sophonpanich	Executive Director
3. Mr. Patchara	Surajaras	Executive Director
4. Mrs. Jeeraphat	Pimantip	Executive Director
5. Ms. Manee	Sirinapapen	Senior Executive Vice President
6. Ms. Pannipa	Gulyanon <sup>1/</sup>	Senior Executive Vice President
7. Ms. Porranee	Thongyen	Senior Executive Vice President

Remark : <sup>1/</sup> Ms. Pannipa Gulyanon resigned from the company because of retirement with effect from 1 May 2018

##### The scope and responsibilities of the Chief Executive Officer

1. To set the company policies, objectives and business strategies for the executives and propose to the Board of Directors to approve.
2. To supervise the executives such that the executives will effectively and efficiently proceed along the stipulated policies, objectives, business plan and business strategies in order to achieve the business goal and budget which approved by the Board of Directors.
3. To approved the expense larger than the Executive Director.

#### 4. The Chief Financial Officer and the Chief Accountant

Apart from the Executive Director position, Mr. Pithayain Assavanig also holds the position of the Chief Financial Officer and the Chief Accountant of the Company. He possesses all qualifications which are required by the SEC for these 2 positions. The detail of educational background and experience are shown as “Detail of Directors and Executives” on page no.15

#### 5. The company secretary

On 16 November 2015, the Board of Directors meeting passed a resolution to appoint Mr. Sutthirak Hotakasapkul, Senior Vice President of the Office of Board Secretariat, as the company secretary since 1 December 2015. The qualifications of the company secretary are as below.

##### Education/Training

- Master Degree of Science (Information Technology), King Mongkut's Institute of Technology Ladkrabang
- Bachelor Degree of Business Administration (Accounting), Ramkhamhaeng University
- Advances for Corporate Secretaries, Thai Company Secretary Club, Thai Listed Companies Association
- Anti-Corruption Course, The Thai Institute of Directors Association
- Compliance Officer Course, The Association of Investment Management Companies (AIMC)
- AML/CFT Course, Anti-Money Laundering Office (AMLO)

##### Work Experience

##### - Asia Plus Group Holdings Public Company Limited

2014 – Present      Senior Vice President, Office of Board Secretariat and Office of the Chairman

##### - Subsidiaries

2004 – 2014      Senior Vice President, Compliance and Audit Department, Asset Plus Fund Management Company Limited

##### - Positions in non-listed Companies

1994 – 2004      Senior Executive Officer, Investment Management Supervision Department, Securities and Exchange Commission (SEC)

1992 – 1994      Assistance Auditor, SGV Na Talang Audit Firm

**% of shareholdings as of 31 December 2018**      - None-

**Relationship with other director or executive**      - No-

The company secretary reported directly to the Board of Directors and the Executive Committee. The scope and responsibilities of the company secretary are as follows.

1. To arrange shareholders' meetings and Board of Directors' meetings and ensure their compliance with applicable laws, the Company's regulations, and other relevant codes of conduct.
2. To prepare and keep a register of directors, notices calling for the directors' meetings and minutes of the directors' meetings, notices calling for the Shareholders' meetings and minutes of the Shareholders' meetings, as well as the Company's annual reports.
3. To keep reports on interest reported by the directors or the executives and submit a copy of the reports on interest in compliance with the laws.
4. To give advices and report to the directors on their scope and responsibilities in compliance with the laws and regulations of the Company's regulatory entities.
5. To be responsible for and prepare reports to disclose significant information and information obliged to be disclosed by the Company's regulatory entities.

## 6. The remuneration of directors and executives

### 6.1 Remuneration in cash

#### 6.1.1. Directors

- **The Company directors**

The Company directors received remuneration in the form of director fees and bonus. The bonus will be paid to the director who is not the employee of the Company, the amount of money is based on the Company's performance. However, the directors who are employee of the Company shall be entitled only to director fees.

**The remuneration of directors** comprises of

#### 1. Director fee

- **Board of Directors**

The fee will be paid to members of the Board of Directors on monthly basis at the following rate;

Chairman of the Board	30,000 baht
Mr. Michael David Roberts	60,638 baht
Member of the Audit Committee	27,563 baht
Other director	15,000 baht

- **Audit Committee**

The fee will be paid to members of the Audit Committee who attend the meeting at 27,563 baht for each meeting and to the Chairman of the Audit Committee at 38,588 baht for each meeting.

- **Risk Management Committee**

The fee will be paid to the Chairman and members of the Risk Management Committee who attend the meeting at 27,563 baht each.

- **Remuneration Committee**

The fee will be paid to the Chairman and members of the Remuneration Committee who attend the meeting at 27,563 baht each.

- **Other Sub-committee**

The other sub-committees do not receive any remuneration.

#### 2. Bonus

The bonus will be paid to the director who is not the employees of the company, based on the Company's performance.

Total remuneration paid to directors in 2018 was 6,246,274 baht with the following details:

Name	Position	Director fees				Director Bonus
		Board of Director fee	Audit Committee fee	Risk Management Committee fee	Remuneration Committee fee	
1. Mr. Chali Sophonpanich	Chairman of the Board of Directors Member of the Nomination Committee Executive Committee	360,000	-	-	-	-
2. Mr. Kongkiat Opaswongkarn	Chief Executive Officer Member of the Nomination Committee	180,000	-	-	-	-
3. Mr. Michael David Roberts	Independent Director Member of the Remuneration Committee Member of the Risk Management Committee	727,656	-	137,815	82,689	480,000
4. Mr. Virach Aphimeteetamrong	Independent Director Chairman of the Audit Committee Member of the Risk Management Committee	330,756	308,704	137,815	-	540,000
5. Mr. Sapon Punyaratabundhu	Independent Director Member of the Audit Committee Chairman of the Risk Management Committee Member of Remuneration Committee Member of Nomination Committee	330,756	220,504	137,815	82,689	480,000
6. Mr. Satit Chanjavanakul	Independent Director Member of the Audit Committee Chairman of the Nomination Committee Member of the Risk Management Committee	330,756	220,504	137,815	-	480,000
7. Mrs. Nintira Sophonpanich	Director	180,000	-	-	-	-
8. Mr. Patchara Surajaras	Executive Director	180,000	-	-	-	-
9. Mr. Pithayain Assavanig	Executive Director	180,000	-	-	-	-
		2,799,924	749,712	551,260	165,378	1,980,000

Mr. Suthirak Hotakasapkul, the secretary of the Board of Directors, received the meeting fee from attending the Board of Directors' meeting in 2018 amounted to 60,000 baht.

- **The directors of Asia Plus Securities Company Limited (Core company)**

Asia Plus Group Holdings Public Company Limited shall pay remuneration to all Asia Plus Group Holdings Public Company Limited's directors. The director of the subsidiaries who doesn't hold any directorship in Asia Plus Group Holding Public Company Limited and/or any management position of the subsidiaries will receive the director remuneration from the subsidiaries. 8 of 9 directors of Asia Plus Securities Company Limited hold the directorship in Asia Plus Group Holdings Public Company Limited and another one director is the managements of Asia Plus Securities Company Limited so all directors of Asia Plus Securities Company Limited don't receive the director remuneration.

#### 6.1.2. The executive directors and executives

- **The Company's executive directors and executives**

The remuneration of 4 executive directors and 2 executives (According to definition in the notification of the Capital Market Supervisory Board) of year 2018 in form of salary, bonus, provident fund and social security fund contributed by the Company was total 163,893,767 baht.

- **The executive directors and executives of Asia Plus Securities Company Limited (Core company)**

The remuneration of 4 executive directors and 2 executives (According to definition in the notification of the Capital Market Supervisory Board) of year 2018 in form of salary, bonus, provident fund and social security fund contributed by the Company was total 24,842,459.33 baht.

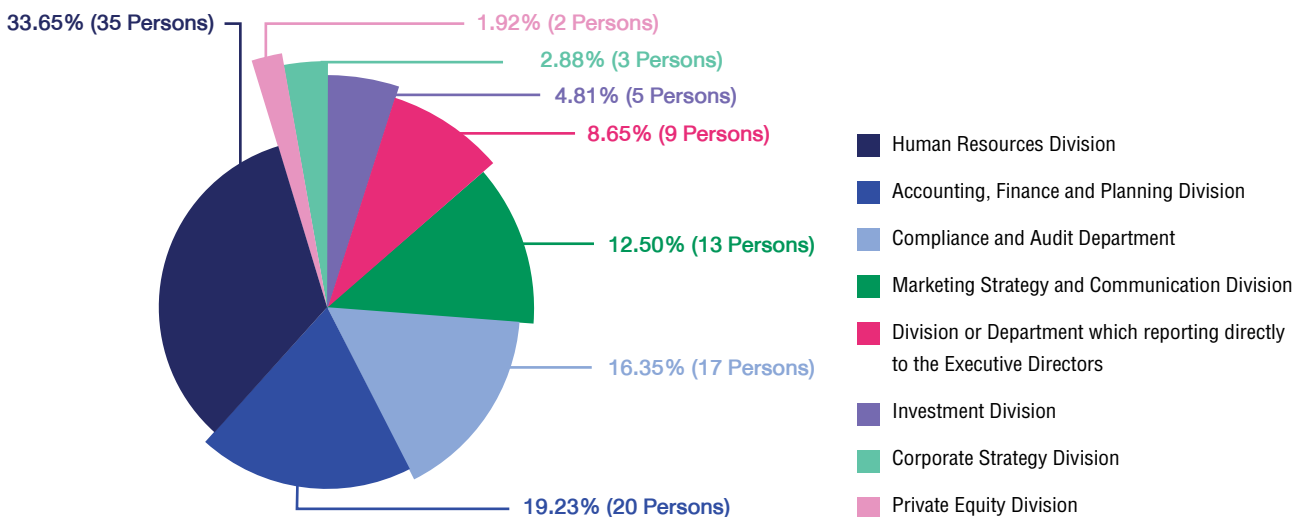
#### 6.2 Other remuneration

- None -

## 7. Personnel

### 7.1 Number of employees and remuneration for employee of the Company

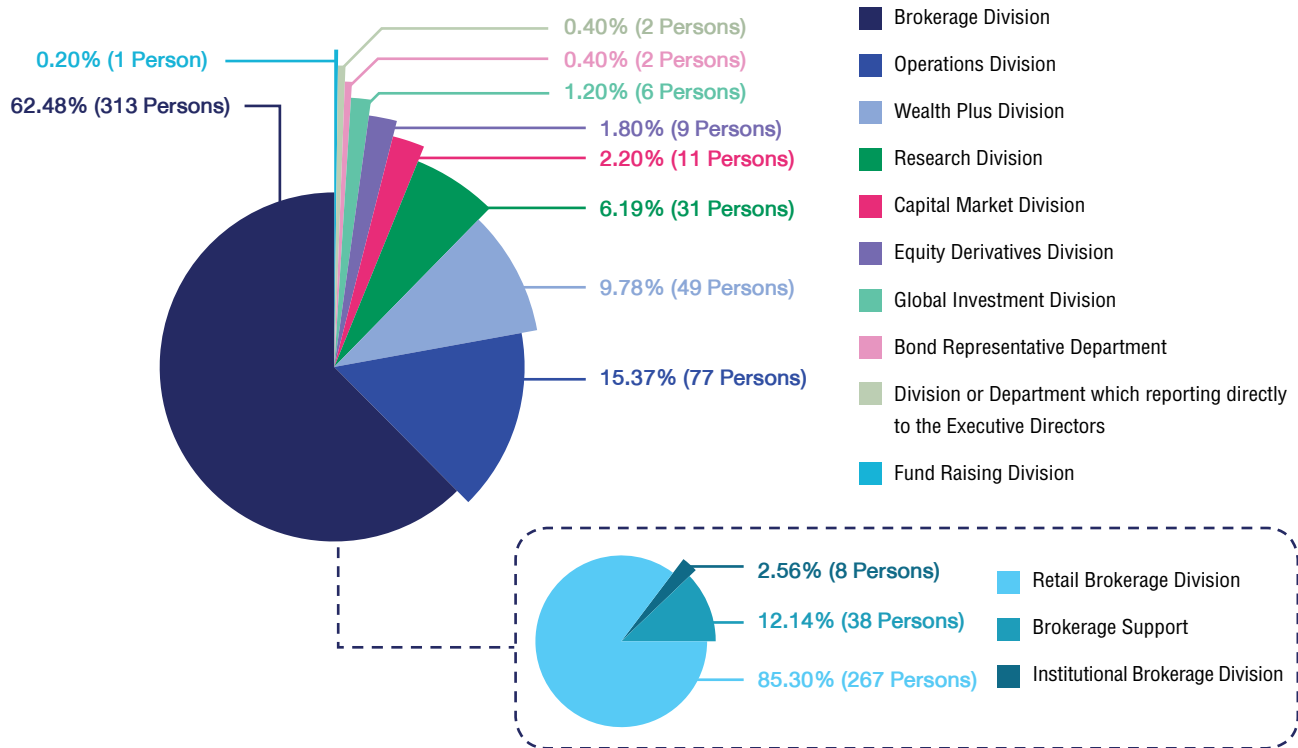
The total number of employees of the Company (Excluding the Company's directors and executives according to the definition of the Notification in the Securities and Exchange Commission) as at 31 December 2018 was 104 persons with the remunerations which comprised salary, bonus, social security, provident fund and, etc. of 122.28 million baht. The details of the employees are as below:



For the 3 years passed, there is no significant changing of the number of employees and there is no labour dispute

## 7.2 Remuneration for employee of Asia Plus Securities Company Limited (Core Company)

As at 31 December 2018, the total number of employees of the subsidiaries was 501 persons with the remunerations which comprised salary, bonus, social security, provident fund and, etc. of 523.28 million baht. The details of the employees are as below:



## 7.3 Human resources development policy

Asia Plus Group Holdings Public Company Limited is aware of the importance of knowledge and human resources development, seeing that competent and qualified personnel is vital to moving the Company forward, achieving the business goal, as well as satisfying customers and shareholders. Therefore, it has been the Company's policies to provide basic to advanced knowledge to improve skill and professionalism of all personnel, from operational to senior executive levels, aiming to reinforce staff proficiency and deal with changes in the market and industry to develop outstanding investment consultants and financial planners. Necessary training are provided to staff all year long, including in-house training courses by inside and outside product specialists and external professional training courses such as data analysis for investment, financial products and investment, basic investment knowledge, ethics, and investment risk, strategic sales management, winning personality, and license refresher. Training courses are provided at the Head Office and via live broadcast/video conference for staff at provincial offices. In addition, to increase learning opportunities of staff regardless of place and time, the Company is developing an e-learning system and also allows staff to take useful courses of external training institutes.

At the same time, the Company is cultivating a performance management system and leadership and corporate value to create recognition, acceptance and behavioral changes according to a principle of leadership and Asia Plus core value for sustainable corporate culture.

In 2018, the Company provided totally 32 training courses, which were equivalent to 6,110 hours or 8 hours/person/year.



# Corporate Governance

## 1. Board of Directors' Policy on Corporate Governance

The Board of Directors realizes the significance of good corporate governance which constitutes a foundation for a policy formulated to oversee the Company's operations. This policy encompasses the impartial treatment among shareholders and stakeholders; the role, responsibility, and independence of directors; information disclosure and transparency; internal controls and internal audits; risk management; business ethics; and policy compliance for the Board, the Management, and all employees. The policy on good corporate governance has been commenced as follows:

1. The Board must treat and communicate with shareholders on an equitable basis.
2. The Board must be mindful of the rights of all stakeholders and strives to promote a good understanding of and cooperation with the Company.
3. The Board conducts their duties with due regard for the best interests of the Company and shareholders. The Board also establishes a structure and procedure to clearly define and separate the role and responsibilities for the Board from those of shareholders and the Management.
4. The Board takes due care to ensure that the Management discloses Company reports and information which are accurate, timely, transparent and in conformance with the applicable laws and regulations.
5. The Board is responsible for establishing a structure to evaluate the performance of the Management with reference to management policy and effectiveness of the internal control system.
6. The Board establishes a Code of Business Conduct to provide guidelines for the Management and employees in running the Company's business in conformance with relevant laws as well as the highest standards of business ethics and generally accepted practices for the securities business.

## 2. The Committee

### 2.1 The Company's committee

The Board has set up various committees which are the Executive Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Risk Management Committee to support and to alleviate the burden of the Board in studying the details of each business and to perform their duties as clearly set forth. The Audit Committee and the Remuneration Committee comprise independent directors so they can perform their duties independently. Details concerning these committees are available as below:

#### Executive Committee

The Board of Directors appoints members of the Executive Committee. As at 31 December 2018, the Executive Committee is composed of 4 directors, namely

- |                              |                         |
|------------------------------|-------------------------|
| 1. Mr. Kongkiat Opaswongkarn | Chief Executive Officer |
| 2. Mr. Chali Sophonpanich    | Executive Director      |
| 3. Mr. Patchara Surajaras    | Executive Director      |
| 4. Mr. Pithayain Assavanig   | Executive Director      |

#### Advisor to the Executive Committee

Mrs. Nintira Sophonpanich

Mr. Sutthirak Hotakasapkul, Senior Vice President of the Office of Board Secretariat, is secretary to this Committee.

#### The Scope and Responsibilities of the Executive Committee

1. Set, propose and review the operation policies, operation plans, guidelines and budget for operating the business of the Company to the Board of Directors for approval.

2. Approve the expense larger than the Executive Directors, which must not exceed 30 million baht. The excess shall be proposed to the Board of Directors for approval.
3. Oversee, monitor and evaluate the business operation of Company and subsidiaries to be in accordance with the policy, goal, business plan and budget of the Company as approved by the Board of Directors.
4. Oversee and manage human resource, finance and treasury, general administration, and any other transactions related to the business of Company and subsidiaries within the scope of authority approved by the Board of Directors.
5. Appoint the authorized person to sign on Company's cheque or other payment documents, as well as contract, and accounting, financial, and other general documents.
6. Identify and evaluate new investment opportunities.
7. Review matters that require the Board's approval, and make appropriate recommendations with the exception of activities that have been delegated to other committees.
8. Perform any other matters as assigned by the Board of Directors.

#### The Audit Committee

The Audit Committee comprises 3 independent directors with possess full qualifications of Audit Committee as stated in the Notification of the Securities and Exchange Commission (SEC) or Capital Market Supervisory Board or the Stock Exchange of Thailand (SET). Each member of the Committee has a 3-year term. Following are members of Audit Committee in 2018.

- |               |   |
|---------------|---|
| 1. Mr. Virach | Aphimeteetamrong<br>Chairman of the Audit Committee |
| 2. Mr. Sapon  | Punyaratabandhu<br>Member of the Audit Committee    |
| 3. Mr. Satit  | Chanjavanakul<br>Member of the Audit Committee      |

Mr. Chirasak Ongpaibool, Executive Vice President of the Compliance and Audit Department, is secretary of the Committee.

#### The area of responsibility and duties of the Audit Committee and its accountability to the Board of Directors of the Company are as under;

1. Review the interim and annual financial statements whether they present fairly, in all material aspects, the financial position and the results of operations in compliance with generally accepted accounting principles.

2. Review the disclosure of related party transactions, or transactions that may lead to matters of conflicting interest to comply with laws and regulations.
3. Review the adequacy of the internal control systems and effectiveness of the internal audit function.
4. Consider the independence of Internal Audit Department and give consent on the appointment, replacement, or dismissal of the head of Internal Audit Department or other departments responsible for such function.
5. Review the scope and performance of external auditors. Ensure that they are independent. Recommend the appointment of external auditors including auditing fee to the Board of Directors.
6. Review whether internal control recommendations, as made by the internal and external auditors, have been implemented by management.
7. Ensure that the Company maintains appropriate procedures to monitor the compliance with laws and regulations.
8. Review and assess the adequacy of risk management procedures and computer security system.
9. To review the Anti-Corruption and Bribery Policy and the Whistleblowing Policy, to review the Self-Evaluation Tool for Anti-Corruption and Bribery of the Company and subsidiaries, and to review the operations to ensure compliance with the abovementioned policies of Asia Plus Group Holdings Public Company Limited and subsidiaries.
10. To review the operations of directors, executives, and relevant employees to ensure compliance with the Anti-Corruption and Bribery Policy and the Whistleblowing Policy.
11. Report significant issues to the Board of Directors.
12. Publish the Audit Committee's report, signed by the Audit Committee's Chairman, in the Company's annual report.
13. Review the audit committee's charter to comply with regulatory requirements concerned and good corporate governance, and propose such to the Board of Directors for approval.
14. Report, without delay, any director's or management's misconduct identified by the external auditors and result of the Audit Committee's investigation to the SEC and the external auditors.
15. Carry out any other assignments requested by the Board of Directors and regulators.

The Audit Committee are well accepted and have a full understanding of, and experience in, accounting and finance. Mr. Virach Aphimeteetamrong and Mr. Sopon Punyaratabandhu have adequate knowledge, expertise and experience to review the reliability of the financial statements. The Audit Committee officially met 9 times during 2018 to perform its duties in accordance with the scope of duties and responsibilities as delegated by the Board of Directors and as set in its Audit Committee Charter completely. Moreover, the Audit Committee also hold the extra-meeting for considering the other significant matters. An extra-meeting between the Audit Committee and external auditors in absences of the management was also held on 13 November 2018.

#### The Remuneration Committee

As at 31 December 2018 the Remuneration Committee consists of 2 independent directors;

1. Mr. Michael David Roberts Independent director
2. Mr. Sopon Punyaratabandhu Independent director

#### The scope and responsibilities of the Remuneration Committee

1. To consider the form of remuneration of directors and the Chief Executive Officer.
2. To determine the annual remuneration packages for directors and the Chief Executive Officer.
3. To set the policy of remuneration package and other benefit payment to the executives and employees.
4. To report on the performance of duties to the Board of Directors at least 1 time a year.

In 2018, the Committee had 3 times engaged in considering the remuneration of directors and executives and salary income and annual bonus of employees.

#### The Nomination Committee

The Board of Directors has appointed the Nomination Committee which comprises 5 members, 3 of which are independent directors and the other 2 are the executive directors. Following are the members of the Nomination Committee in 2018.

1. Mr. Satit Chanjavanakul  
Chairman of the Nomination Committee  
(Independent director)
2. Mr. Chali Sophonpanich  
Member of the Nomination Committee
3. Mr. Kongkiat Opaswongkarn  
Member of the Nomination Committee
4. Mr. Virach Aphimeteetamrong  
Member of the Nomination Committee  
(Independent director)
5. Mr. Sopon Punyaratabandhu  
Member of the Nomination Committee  
(Independent director)

#### The scope and responsibilities of the Nomination Committee

1. To set up selection criteria and appointment procedures for Board members.
2. To determine qualification of directorial candidates as well as select and nominate the qualified candidates for the Board's consideration, whether for new directors or re-appointment of existing directors.
3. To select and propose qualified candidates to be nominated as independent directors based on the criteria for independent directors as prescribed by the Company to the Board.
4. To consider and review in qualifications and performance of directors who retire by rotation and recommend to the Shareholders' Meeting on re-election of the directors retiring by rotation.
5. The Nomination Committee may seek expert advice on certain matters to enable them to fulfill their duties more efficiently.
6. To report on their performance of duties to the Board of Directors.

### The Risk Management Committee

The Risk Management Committee comprises 5 members, 4 of which are independent directors. Following is the list of the Risk Management Committee in 2018.

1. Mr. Sapon Punyaratabandhu  
Chairman of the Risk Management Committee  
(Independent director)
2. Mr. Michael David Roberts  
Member of the Risk Management Committee  
(Independent director)
3. Mr. Virach Aphimeteetamrong  
Member of the Risk Management Committee  
(Independent director)
4. Mr. Satit Chanjavanakul  
Member of the Risk Management Committee  
(Independent director)
5. Mr. Patchara Surajaras  
Member of the Risk Management Committee

Mr. Natachai Boonyaprapatsara, Executive Vice President of the Corporate Risk Management Division, is secretary of the Committee.

### The scope and responsibilities of the Risk Management Committee

1. Oversight of the Company's risk governance structure.
2. Oversight of the Company's risk management framework and ensuring appropriate policies and practices in place to manage significant credit, market, operational, and certain other risks.
3. Reviewing the Company's risk limits and risk reports including Risk Appetite, and make recommendations to the BOD.
4. Ensuring the adequacy of the Company's capital, liquidity and funding for business operation.
5. Reviewing the performance of the Company's Chief Risk Officer (CRO).

### 2.2 The Committee of Asia Plus Securities Company Limited (Core company)

The Board of Asia Plus Securities Company Limited ("Asia Plus Securities") has set up various committees which are the Executive Committee, the Audit Committee and the Risk Management Committee to alleviate the burden of the Board in studying the details of each business and to perform their duties as clearly set forth. The Audit Committee and the Risk Management Committee of Asia Plus Securities are the same group as Asia Plus Group Holdings Public Company Limited in order to enable effective supervision and monitoring of the overall business operations and performance, the details of the members and the responsibilities are shown at page no.64.

The Executive Committee of Asia Plus Securities comprises 4 members, 3 of them are the representative from the Executive Committee of Asia Plus Group Holdings Public Company Limited who are Mr. Kongkiat Opaswongkarn, Mr. Chali Sophonpanich and Mr. Patchara Surajaras and the other one is the representative of Asia Plus Securities who is Mrs. Jeeraphat Pimantip, Executive Director. The roles and responsibilities of this committee are as below:

1. Oversee the business operation of Company as directed by the Board of Directors.
2. Propose operation policies, operation plans, guidelines and budget for operating the business of the Company to the Board of Directors for approval.
3. Approve the expense larger than the Executive Directors, which must not exceed 30 million baht. The excess shall be proposed to the Board of Directors for approval.
4. Approve any activities concerning securities business and future trading business and any activities of being the debenture holder's representative within the scope assigned by the Board of Directors.
5. Approve to underwrite the securities according to the company's policy.
6. Appoint the authorized person to sign on Company's cheque or other payment documents, as well as documents concerning securities, bond, convertible bond, warrant, mutual fund, contract, accounting, financial, and other general documents.
7. Approve the appointment, transfer, or termination of the management level officer.

### 3. Procedure for nomination of directors and top-level executive management

The Nomination Committee which consists of 3 independent members out of 5 members is responsible for nominating the directors and the top-level executive management who is Chief Executive Officer by considering, selecting, and screening individuals with appropriate qualifications according to the Company's rules, the regulations of the SEC, Capital Market Supervisory Board, and the SET. Once the selection process is complete, the Board of Directors will consider the approval or give consent and proceed to present to the shareholders' meeting for approval of appointment based on regulations and procedures as follows:

#### The qualifications of directors and top-level executive management

##### Independent director

1. Holding shares not exceeding 0.5 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate major shareholder or controlling person which may have conflicts of interest. This also includes number of shares held by related persons of the independent director.
2. Neither being nor having been an executive director, employee, staff, or advisor who receives fixed salary, or a controlling person of the company, its parent company, subsidiary, affiliate, major shareholder or of a controlling person of the company unless the foregoing status has ended no less than two years. Such prohibited characteristic is not including the case that the independent directors having been a civil servant or adviser to government agency who holds a significant stake or is a controlling person of the company.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons of the company, or persons to be nominated as executive or controlling persons of the company or its subsidiary.
4. Not having nor ever having a business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder or controlling person of any person having business relationship with the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company unless the foregoing relationship has ended not less than two years.
5. Neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, and not being a major shareholder, controlling person or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholder

or controlling person of the company unless the foregoing relationship has ended not less than two years.

6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the company, and neither being nor having been a major shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than two years.
7. Not being a director who has been appointed as a representative of the company's director, major shareholder, or shareholders who are related to the company's major shareholder.
8. Not operating any business that has the same characteristics or competition with business of the company or the company's subsidiary. And, not being a partner who has a say in any form of partnership, an executive director, an employee, a staff or an advisor who receives fixed salary, or holding shares more than one percent of the total number of voting rights in any other company that has the same characteristics or competition with business of the company or the company's subsidiary.
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the company's business affairs.

##### The Company director

1. Directors must not operate any business which has the same nature as and is in competition with the business of the Company or become a partner in an ordinary partnership or become a partner with unlimited liability in a limited partnership or become a director of any juristic person operating business of similar nature as or is in competition with the business of the Company, unless he or she notifies the shareholders meeting prior to the passing of resolution of his or her appointment.
2. Directors shall be possessed of qualifications and not of disqualifications under the Limited Public Company Act, the Securities and Exchange Act, the Derivatives Act, and other relevant acts or the rules of the Securities and



Exchange Commission, shall not be possessed of characteristics showing inappropriateness to be entrusted with business management of a publicly held company as provided by the SEC, and shall be possessed of qualifications under the Company's rules and regulations.

3. Directors shall be possessed of knowledge, ability, expertise, and experience that is beneficial to and appropriate to the characteristics of the Company's business, shall run a business with honesty and morality, and shall devote knowledge, competence, and time for the Company.
4. Directors must be able to perform their duties and express opinions independent of the management team and other beneficial groups.
5. An independent director shall be possessed of the following qualifications under rules of the Company and regulators.

#### Top-level executive management position

The top-level executive management position should be a person who has suitable knowledge, abilities, skill, expertise and experience to help manage the Company's business.

### Election and nomination of directors and top-level executive management

**Election of directors** will be made by shareholders;

1. A shareholder shall have one vote for each share held;
2. In selecting the directors, the voting therefore may be for each of the candidates at a time or for all the candidates forming a group at a time or by any other means as may be deemed appropriate by the meeting of shareholders. But in the voting process, each shareholder shall be entitled to the manner of voting prescribed under 1 above but may not distribute the vote for any particular candidate or for the candidates forming the group;
3. Candidates shall be decided on the basis of the majority of the vote case. In case of a tie of votes, the chairman presiding over the meeting shall have the casting vote.

#### Election of the replacement director

1. In case of vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person who has qualifications and who possesses no prohibit attributes pursuant to the relevant provisions of the Public Limited Companies Act as the replacement director at the next

meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months.

The replacement director shall hold office for the remaining term of office of the director whom he or she replaces. The resolution of the Board of Directors in electing replacement director shall be by a vote of not less than three quarters of the number of director remaining.

2. In case the whole Board of Directors vacates office, the terminated Board of Directors shall remain in office to conduct the business of the company as necessary until the new Board of Directors takes office, unless the court order state otherwise.

In case of termination by court's order, the terminated Board of Directors shall call a shareholder meeting to elect a new Board of Directors within one month of its date of termination by serving written notice calling a shareholder meeting not less than fourteen days prior to the date of the meeting.

3. In case of vacancies in the Board of Directors resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board of Directors only in matters relating to the calling of a shareholder meeting to elect directors to replace all the vacancies. Such meeting shall be held within one month of the date that the number of directors falls below the number required for a quorum. The replacement directors shall retain office only for the remaining terms of office of the directors whom they replace.

#### Executive director

The Board of Directors is empowered to select the Executive Director.

#### Independent director

The nomination of Independent Directors is the same as that of the director.

#### Top-level executive management

The Board gives precedence to the appointment of the top-level executive management position so the Board assigns the Chief Executive Officer and Executive Directors to consider or appoint the appropriate person equipped with the knowledge, skill and experience to be top-level executive management.



#### 4. Oversight of the operations of subsidiary and affiliated company

The Company is a holding company which has 3 subsidiaries so the Company has to provide both direct and indirect measures and mechanisms for the Company to regulate and manage the Subsidiary and Associated Company and to ensure their compliance with the measures and mechanisms as if they are the Company's entities. The Company also intends to assure that the Subsidiary and Associated Company comply with the Company's policies, relevant laws, and notifications, rules, and regulations of the Capital Market Supervisory Board, the SEC, and the SET, in an attempt to protect the Company's interest in such the Subsidiary and Associated Company.

The Subsidiary and Associated Company of the Company cannot undertake a certain transaction that is deemed to have a significant impact on its financial status and earnings performance unless such a transaction is beforehand approved by the Company's Board of Directors Meeting or Shareholders Meeting (as the case may be). In that case, the Company has to hold a Board of Directors Meeting and/or a Shareholders Meeting to deliberate and approve the transaction before the Subsidiary and/or Associated Company holds its Board of Directors Meeting and/or Shareholders Meeting to approve the transaction and/or before the Subsidiary and Associated Company undertakes the transaction. In doing this, the Company has to disclose information and comply mutatis mutandis with rules, regulations, conditions, and procedure pertaining to the transaction that needs approval as prescribed in the Public Limited Company Act, the Civil and Commercial Code, the Securities and Exchange Act, other relevant laws, and notifications, rules, and regulations of the Capital Market Supervisory Board, the SEC and the SET.

Moreover, the Company has to ensure that the Subsidiary has an internal control system, a risk management system, and a corruption prevention system. In addition, there should be suitable concise and effective measures to monitor the Subsidiary and Associated Company's performance to assure their compliance with the Company's policies, Articles of Association in this Chapter, law and the Principles of Good Corporate Governance for listed Companies, and relevant notifications, rules, and regulations of the Capital Market Supervisory Board, the SEC, and the SET. The Company also has to ensure that the Subsidiary and/or Associated Company disclose information concerning connected transactions, and/or acquisition or disposition of assets, and/or other transactions that will have a significant impact on the Company.

The Compliance and Audit Unit and the corporate support functions are centralized at the Company but the subsidiaries still have autonomy in the internal management such as marketing, issue instrument, etc.

The Company appointed the representatives to be the directors of the subsidiaries in order to monitor the business performance, to provide useful feedback to the subsidiaries, and to attend the meetings as shareholders. These representatives must be approved by the Company's Board of Directors and are qualified in accordance with securities business executive regulations, conditions, and procedures as regulated by Capital Market Supervisory Board.

If the Company has a significant investment, the shareholder agreement will be made in order to enable the company's performance monitoring and participation in the business' management. This is to ensure that the Company has sufficient, accurate and timely information for the preparation of its financial statements that conform with relevant standards.

As for investments in the 3 subsidiaries, the Company has mandated representatives as follows:

**1. Asset Plus Fund Management Company Limited** ("Asset Plus Fund Management"): The Company has appointed 3 representatives (1) Mr. Sapon Punyaratabandhu, (2) Mr. Patchara Surajaras and (3) Mr. Pithayain Assavanig to be directors of Asset Plus Fund Management.

**2. Asia Plus Advisory Company Limited** ("Asia Plus Advisory"): The Company has appointed 4 representatives (1) Mr. Kongkiat Opaswongkarn (2) Mrs. Nintira Sophonpanich (3) Mr. Patchara Surajaras and (4) Mr. Pithayain Assavanig to take a position of directors of Asia Plus Advisory.

**3. Asia Plus Securities Company Limited:** The Company has appointed 8 representatives (1) Mr. Chali Sophonpanich (2) Mr. Kongkiat Opaswongkarn (3) Mr. Michael David Roberts (4) Mr. Virach Aphimeteetamrong (5) Mr. Sapon Punyaratabandhu (6) Mr. Satit Chanjavanakul (7) Mrs. Nintira Sophonpanich and (8) Mr. Patchara Surajaras to be directors of the Asia Plus Securities.

## 5. Supervision of use of inside information

With regard to the control of use of inside information based on good corporate governance, the Company has established the written regulations in a form of instructions for all the directors, management executives, employees, other concerned persons of the Company's operations and subsidiaries to acknowledge and practice. Furthermore, punishment has clearly been determined in case of any violations. Such regulations include the following:

1. The departments that possess confidential information shall work independently from each other, in terms of the chain of command, working area, and office appliances. Staff of the departments shall also keep the information under their responsibility properly and prevent leakage of such information to irrelevant departments. In addition, the staff shall prevent unauthorized persons from getting access to confidential information and shall not disclose confidential material information to the public both inside and outside the organization.
2. Securities and futures trading account opening of employees and accounts related to employees.
3. Approval prior to securities and futures trading and sending trading orders by employees.
4. Securities and futures trading accounts that belong to employees' spouses, minor children and adopted minor children.
5. Regulations for the trading of securities and futures which the subsidiary company is in process of making the analysis report for the investor.
6. Acknowledgement of inside information regarding securities under Watch List and Restricted List.
7. Trading the Company's shares (ASP) of the directors, executives, and employees who are involved in the Company's performance.
8. Consenting for disclosing the trading transactions by the other securities firm.
9. Consenting for disclosing the trading account of the non-executive directors.
10. Term of securities held by employees.
11. Oversight and review of employees' securities and futures trading.
12. Other prohibitions
13. Penalties

Details related to the supervision of inside information use within the Company are seen in "Good Corporate Governance" Section 2 Equal Treatments for Shareholders.

## 6. Remuneration of Auditor

In 2018, the shareholders approved the appointment of EY Office Limited to serve as the external auditor of the Company and the subsidiaries. EY Office Limited has been found to be independent and reliable and does not have any relations or vested interests, or both, with the Company, the subsidiaries, the directors, the executives, major shareholders or related parties.

### Audit Fee

Asia Plus Group Holdings Public Company Limited and the subsidiaries paid the audit fee of 3,640,000 baht to EY Office Limited where the company's auditors are working. This amount comprised 1,100,000 baht for auditing of the Company and 2,540,000 baht for auditing of the subsidiaries.

### Non-audit fee

For this fiscal year, the Company engaged EY Corporate Services Limited, related party to EY Office Limited where the Company's auditors are working, to provide non-audit service, financial advisory service for the TFRS 9 adoption, to the Company and the subsidiaries. In 2018, the Company paid 168,750 baht for this service and will pay in the future for the unfinished service. The fee for the future will be calculated at the hourly rates based on the scope of work, the fee will be in between 500,000-1,000,000 baht.

## 7. Good corporate governance

The Company gives the precedence to comply with the good corporate governance principles, the Company has earned a score level “Very Good” rated by the Institute of Directors Association since 2009.

Moreover, the corporate value of the Company which is “GRACE” (G = Good Governance, R = Responsive, A = Accountability, C = Creative, E = Enthusiasm) also reflects on the Good Governance that the Company cultivates to all employees.

The Board of Directors has reviewed the use of corporate governance code for listed companies 2017 (CG Code) in the context of the Company. For some practices that the Company cannot apply, there will be noted as part of the resolutions of the Board of Directors Meeting No. 1/2019 as follows.

Code/Good Practice	Explanation
<p>1. Chairman of the Board of the Directors shall be an independent director. In case that the Chairman of the Board is not an independent director, more than half of the Board members shall be independent directors or the Board shall appoint an independent director to participate in setting the Board Meeting’s agendas.</p>	<p>The Chairman of the Board is not the independent director. Nevertheless, the current Board structure maintains an appropriate check and balance system because majority of Board members are non-executive directors. Moreover, the Company has an internal control system and the operating mechanisms to achieve a balance of power, transparent and taking into account the overall benefits of all stakeholders. Chairman of the Board of Directors and Chief Executive Officer of the Company are not the same person and the Company has clearly determined powers, duties, and responsibilities of each position, as shown in the topic “Board of Directors” under “Management Structure” on page no.56 and details of duties of Chief Executive Officer in the topic “Executive” on page no.58 to counterbalance the powers of the Board of Directors and the management team. Chairman of the Board of Directors is responsible for setting the Company’s policies, encouraging Board members to discuss issues, ask questions, and give opinions during the meeting, and ensuring effective operations of the Company’s directors. At the same time, Chief Executive Officer is a leader in management to put the Board’s policy into practice.</p> <p>However, one of the independent director participates in setting the meeting’s agendas but every director can freely propose an issue to be the meeting’s agendas too.</p>
<p>2. The maximum number of listed companies each director can sit as a member of the Boards of Directors shall not exceed five companies, without exception.</p>	<p>The Company does not limit the maximum number of companies in which each director can sit as a director but leaves it upon discretion of the director under a condition that the director must still be able to participate in the Company’s Board of Directors Meetings to follow up on the Company’s performance and to work fully and efficiently as the Company’s director. Nevertheless, it was not found that any of the Company’s directors sit as a director of more than five other listed companies.</p>
<p>3. A term of an independent director shall not exceed nine consecutive years since the day of the appointment.</p>	<p>The business of the Company is complexed so the Company requires Independent Directors who are knowledgeable as well as who have specific experiences in and a true understanding of the business operations, which requires a longtime to learn and fully understand. Despite the fact that the Independent Directors of the Company have terms of office exceeding 9 years in total from the first day of service, but all independent directors are still possess all qualifications of being the independent director as required by the SEC and the Company. Moreover, all independent directors have to assess the independent director self-assessment in order to certify their qualifications and the independent from the management. With the longtime experience of being the independent director, it makes the Company’s independent directors understand the business operations of the Company well and can give the beneficial recommendations to the business operations. Hence, the Company has not set the policy about the consecutive directorship terms of independent directors. In the case that the Board re-elects an independent director who has over 9 years of consecutive service for another term, the Board shall explicitly explain the rationales for the nomination to the shareholders.</p>

In 2018, the Board of Directors applied the CG Code to the Company's business as detail below;

### Section 1 Rights of shareholders

The Board is fully aware of the significance of all basic rights of shareholders, which are the rights to buy new shares, sell or transfer owned shares, the rights in division of profits, the rights to receive sufficient information about the Company's operation, the rights to participate and vote in shareholder meetings to elect or remove directors and to approve the appointment of independent auditors and also extend to voting on matters that affect the Company's business such as the appropriation of dividends, establishment and amendment in Articles of Association and Memorandum of Association, the increase or decrease of the Company's capital and approval of special transactions. The Company will not engage in any actions that may violate or undermine their rights. Furthermore, the Company encourages shareholders to fully exercise their rights and performed in compliance with the good corporate governance principles and guidelines about the rights of shareholders as follows:

#### The rights to attend shareholder meeting

In 2018, the Company held the Annual General Meeting of Shareholders on 25 April 2018 at Chatrium Hotel Riverside Bangkok where is convenient in transportation. The Company facilitated and encouraged all shareholders, including institutional shareholders to attend the meeting and exercise their rights. In addition, the Company has contacted institutional investors, who are funds or custodians, to send the representatives to attend the meeting and facilitated on advance meeting document checking and providing information or responding to any inquiries.

#### Prior to the meeting day

1. The Company ensures that shareholders receive information about the date, time, place, agenda consisting of objectives, rationale, and board's opinions, and the issues to be decided at the meeting prior to the meeting to provide the shareholders enough time to study the agenda items. Shareholders will also be informed of the rules and regulations of voting procedures. The Company informed shareholders of information about the shareholders' meeting through the SET and on the Company's website: [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th), 34 days prior to the Annual General Meeting of Shareholders. The Meeting notice with other supporting documents in Thai and English (For foreigners) were sent to shareholders more than 22 days prior to the Annual General Meeting

of Shareholders. Moreover, the meeting notice was published in a Thai newspaper for at least 3 consecutive days and at least 3 days before the meeting date.

2. The Company will not engage in any actions that may restrict shareholders' access to the Company's information. The Company does not allow a shareholder who is the Company's executive to unnecessarily add an agenda item without prior notice, especially a significant item from which shareholders need to study any relevant information before making a decision.
3. The Company gives the chance for shareholders to propose the meeting agenda and nominating qualified candidate who would be considered for a position in the Board of Directors, 3 months prior to the end of the fiscal year.

#### On the meeting day

1. The Company facilitates shareholders' participation in shareholder meetings and the exercise of their rights while avoiding any actions that may limit their opportunities to attend the meetings. The registration for the meeting is arranged 2 hours prior to the commencement of the Annual General Meeting of shareholders and continues through to the end. A barcode system is used in addition to the regular registration and vote counting by computer to accommodate shareholders who come to the meeting in person but do not brought their barcodes. This system helps facilitate shareholders when attending the meeting.
2. Directors of the Company realize the importance of attending the shareholder meeting and allocate adequate time for the shareholders to express their opinions and raise questions under each agenda item. At the 2018 Annual General Meeting of Shareholders, all directors, all chairmen of every sub-committee, all executives, and also the Company' external auditors attend the meeting to completely answer every question asked by the shareholders.
3. The Company invites the legal consultant and the representative from the Thai Consultant Limited, legal firm, to attend the 2018 Annual General Meeting of Shareholders for observing the meeting in order to ensure its transparency and compliance with the applicable laws and the Company's Articles of Association and also taking responsibilities in verifying the proxy forms, the forming of a quorum, and the vote counts on each agenda.

4. The Company uses ballots in voting for all the meeting agenda. Moreover, for the agenda of consideration and approval of the election of directors to replace those who retired by rotation, the Company gives the chance to shareholders to elect the directors individually.

#### **After the meeting day**

The Company submits the resolutions of the Shareholder's meeting to the SET within 1 day after the meeting and the Company submits the Minutes of the Annual General Meeting of Shareholders to the regulatory agencies within 14 days and also discloses on the Company website at [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th) for shareholders to acknowledge. Moreover, the Company records the meeting on the video for future use.

#### **The rights to access information on the Company**

The Company updates significant information and information obliged to be disclosed by the Company's regulatory entities to shareholders by posting such information on its website on a regular and consistent basis and also via the SET's communication channel both in Thai and English versions.

## **Section 2 Equal treatment for shareholders**

The Board oversees and ensures the impartiality of treatment and basic rights for all shareholders; major or minor shareholders, institutional or individual shareholder, or even foreign shareholders, in order to build investors' confidence in the Company. Therefore, the Company has formulated guidelines to preserve their rights as follows:

#### **Shareholders meeting**

##### **1. Exercise of voting rights**

In case any shareholders are unable to attend a shareholder meeting, they may authorize other persons as their proxies to attend and vote at the meeting on their behalf. All documents and evidences that the attendant must present before attending the meeting are informed to all shareholders in order to protect their rights to attend the meeting. For shareholders' meeting in 2018, the Company has delegated Mr. Virach Aphimeteetamrong, independent director and Chairman of the Audit Committee, to act as their proxy. The Company post all proxy form on the Company's website for shareholders to download and also encourages shareholders to use a proxy form in which shareholders can specify their voting requirement. The proxy form is enclosed with the notice of the meeting sent to the shareholders, and it can also be downloaded from the Company's website.

In addition, the Company also provides shareholders with the duty stamp to be sealed on the proxy form for their convenience.

Shareholders who arrive after the meeting has commenced are able to vote on the agenda item being considered and a resolution is not yet made. They shall constitute part of the quorum starting from the agenda item that they are in attendance and exercise their voting rights unless the meeting states otherwise.

##### **2. Expression of opinions and suggestions**

The Company treats all major and minor shareholders equitably. Any shareholders may voice their opinions to the meeting for consideration. Therefore, shareholders can express opinions or make recommendations to the Board of Directors or through the Company's website or through the e-mail: [public\\_relations@asiaplus.co.th](mailto:public_relations@asiaplus.co.th). In the shareholder's meetings, most participants are minor shareholders who took an interest in keeping track of the Company's operations. They are given opportunities to freely express their opinions, which are found beneficial to the Company.

##### **3. Proposing the agenda and nominating a qualified candidate for the Company directorship for the 2019 Annual General Meeting of Shareholders**

The Board of Directors has set forth the policy encouraging all shareholders getting the equal and fair treatment by giving the chance for shareholders to propose the meeting agenda prior to the meeting and nominating qualified candidates who would be considered for a position in the Board of Directors in accordance with the Company's principles from 1 October 2018 to 28 December 2018, 3 months prior to the end of the fiscal year. The shareholders who wish to propose the agenda for the Annual General Meeting of Shareholders or nominate a qualified candidate for Company directorship must be the shareholder of the Company which can be either one shareholder or combined shareholders with holding minimum shares from 5% of total voting rights of the Company and have to hold those shares on the date of proposing the agenda or nominating a qualified candidate for being the Company directorship. The Company's principles have been disclosed through the Company's website [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th) and the SET. The shareholders who want to propose agenda for the annual general meeting of shareholders or nominate a qualified candidate for Company directorship can send the proposal and other required



documents to the Office of Board of Secretariat & Office of the Chief Executive Officer unofficially through the e-mail: public\_relations@asiaplus.co.th or fax no. 0 2285 1905 before sending the original proposal and other support documents to the Company within 28 December 2018. However, there were neither proposals on the meeting agenda nor any nominations for the director of the Company.

#### **Preventive measures for misuse of inside information for own interest and measures for conflicts of interest**

The Company has established a policy to prevent executives from utilizing the Company's inside information for their own interests, both directly and indirectly. The Company has set regulations for transactions from which potential conflicts of interest may arise as follows:

1. The Board of Directors has approved the procedures of the related transactions between Company or subsidiaries to the directors or executives or related persons of the Company and subsidiaries for regular transactions or those supporting the regular transactions that fall under the general trade conditions. The prices and conditions are identical to those applicable to transactions executed with external parties. For other transactions, the procedures are in accordance with the regulations enforced by the SET and the Capital Market Supervisory Board. Moreover, the Audit Committee will review the rationale and necessity of the transactions on a quarterly basis. Details and values for each transaction are disclosed under "Related Transactions" and the Form 56-1.
2. The Company specifies that directors and executives including their spouses and minor children must report any changes in their securities holdings to the Office of the Securities and Exchange Commission (SEC) in accordance with Section 59 and Section 257 of the Securities Exchange Act B.E. 2535.
3. The Company determines regulations and practices for the securities trading of the directors, executives, and employees of the Company and the subsidiaries in a written form, recently revised and effective since 15 July 2015. Such regulations and practices are officially announced to and therefore implemented by all employees, executives, and directors within the organization. This is to prevent any misuse of inside information and potential conflicts of interest. The main content encompasses the following:
  - The Company has a policy allowing the employees of the Company and the subsidiaries to trade securities or futures on the condition that the employees must open a trading account with the Company's subsidiary only and specify the account as "employee's account." To send trading orders, the employees are only allowed to do so with the officers appointed by the Company who are responsible for employees' accounts only. In addition, the appointed officers must report a trading transaction to the supervisors for approval within one working day. A time period for holding the securities is set for one day before it can be sold.
  - The employees and other persons who are related to the Company's operations that involve inside information on the securities under Watch List and Restricted List are forbidden to buy, sell, or transfer those securities, as stated and regulated in the prevention policy of insider trading.
  - The employees and other persons who are related to the Company's operations are prohibited to pass on the inside information to anyone else.
  - The executives and employees of the Company and the subsidiaries who are involved in accounting information and financial statements that have not been publicly disclosed must not trade the Company's securities two weeks prior to the end of accounting period until the day of public disclosure. The Board of Directors must not trade the Company's securities for a period of 30 days prior to the disclosure or publication of the quarterly and annual financial statement.
4. The Company has set out guidelines for the Company's directors and executives in disclosing the report on the interest of directors, the executives and the related person to the company every six months even if there is no change. This information is used for the monitoring of the directors and executives' performance whether they have performed their fiduciary duties with careful consideration and integrity. In addition, there should be no transactions that may cause potential conflict of interest ascending to any transfer of benefits between the Company and the subsidiaries. However, the directors and executives of whom interests may coincide with the Company's transactions will not take part in any suggestions or decision-making process.

The Compliance and Audit Department is responsible for ensuring compliance with the aforementioned regulations including training the new employee about such regulations. Any non-compliance or misuse of inside information for own interests will be determined the penalties as the company's regulation which include written warnings, probation.



5. The Company has a clear and transparent shareholding structure and has no cross shareholdings by the major shareholders or Pyramid holding. Thus, there will be no conflicts of interest. The shareholding structure can be publicly viewed on the Company's website including the Company's annual report titled "Shareholders".

In 2018, the Board of Directors and Executive Directors has strictly complied with the policies, so there was no violation of the securities trading rules regarding insider trading and the asset trading rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Company's Board of Directors and executives also reported their shareholding in the Company when first assuming their positions, reported the changes in the shareholding, including of their spouse and minor children, and reported their shareholding in the Company to the Company every six months.

### Section 3 Roles of stakeholders

The Company realizes that its success and sustainability rest on a good relationship between the Company and all stakeholders including employees, business partners, creditors, customers, competitors, government entities, community and environment. Therefore, the Company is resolved to promoting mutual benefits and safeguarding the interests of each group of stakeholders fairly in compliance with the provisions of the relevant laws or agreements with the Company. Moreover, the Company also encourage to promotethe innovation in order to create the value for the Company with benefit for stakeholders which is one strategy of the Company. The Company will not engage in any action that violates the rights of stakeholders.

The Company's roles toward each group of stakeholders are as follows:

#### Employees:

Developing employee potential is an important corporate strategy to bring the Company to its goal. The Company treasures all employees as valuable assets that are vital to the advancement and success of the business. Accordingly, the Company is committed to promoting and encouraging all employees, from an operational level to an executive level, to take part in training and development programs for professional performance and to meet with changing market and industry situations. The policy and process in employee development of the Company are shown at page no.63.

The Company treats all employees fairly and equally. The Company offers salary and benefits at a rate suitable for employees' qualifications and responsibilities. The Company uses Key Performance Indicator (KPI) system in considering the salary and benefits to each individual employee in line with their performance and the company's operation results. In 2018, the Company conducted the KPI evaluation 2 times which is in Mid of the Year and End of the Year. Moreover, the Company gives the chance for employees to rotate their jobs to the one that suit for their qualifications and capabilities.

The Company has provided welfare packages for the employees such as life and health insurance, and also promotes the employees' health by providing healthcare, annual physical checkup, encouraging every employee to get vaccinated, etc. The Company also has provided the fitness room and sets up the Football Club, Badminton Club and Table Tennis Club for employee to exercise, get together and relax.

Besides the welfare packages, the Company has also established of a provident fund for being the long term benefit for employees.

In addition, the Company maintains safe, clean, and conducive working environment. In 2018, there is no accident occur during working.

The Company has encouraged communication between the highest management executive which is Chief Executive Officer and employees at all levels by arranging for a communication channel via the intranet system. This is for all the employees to learn about the Company's policies, activities, or important developments undertaken within the organization. Additionally, this is to encourage employees' participation and proximity between management executives and employees. The employees will also receive management viewpoints and perspectives which are useful for their work and lifestyle.

**Shareholders:** One of the Company's ultimate goals is to ensure favorable and sustainable growth and competitiveness, with solid viability and due consideration to both current and future risks to ensure the highest value to our shareholders over the long term. The Company must operate its business with integrity, transparency, impartiality and diligence with the effective internal controls and risk management. The Company will not engage in any actions for personal gain and will exert its best effort in protecting its assets and reputation.

The Company encourages shareholders to exercise their rights, which are fundamental, and act as business owners; to raise concerns or suggestions relating to the Company's business operations; and to access any updated information on the Company via its website on a regular and consistent basis.

**Business Partners:** The Company realized the importance of the business partners who will be the key factor in jointly creating the growth. The Company selects the business partner who is not only be the high growth potential business but also be the professional working. The Company aware of the common interests of the Company's business partners and treat them equitably. The Company' dealings with any business partner shall be conduct in a manner that upholders the reputation of the Company and all relevant laws. The Company complies with all the terms and conditions prescribed in the agreements without any unethical gain or benefit. In 2018, there was no case of non-compliance with the terms and conditions as agreed upon with the business partners.

**Creditors:** The Company strictly complies with all the terms and conditions prescribed in the agreements without any unethical gain or benefit. In 2018, there was no case of non-compliance with the terms and conditions as agreed upon with the creditors.

**Competitors:** The Company has a competition code and policy of not making any agreement with competitors or any person to reduce or limit the competition and not attacking or slandering competitors without proof. In addition, the Company will ensure the compliance with applicable laws and regulations. In case of questions or uncertainty, the Company will discuss with the legal or the Audit and Compliance Department before taking any actions. The Company conducts business within the rules of competition stipulated by the industry or the authorities. Emphasis is put on compliance with the criteria on the securities commission rate and remuneration for marketing officers; upholding the standard rules for competitions; not engaging in unethical means of acquiring information; and creating propaganda or unfair accusations to disrepute competitors. During the past year, the Company had no dispute over competition.

**Government entities:** The Company supervises the business operations to ensure the compliance with applicable laws, rules, and regulations. Important practice includes the following.

**- No Infringement of intellectual property or copyright and computer security**

The Company values the respect for intellectual property or copyright and computer security and has launched the following rules to ensure the compliance with applicable laws.

1. The employees are prohibited from reproducing or adapting, communicating to the public, or letting of the original or copies of computer programs, audio visual materials, audio records, advertisements, copyrighted work, and/or the Company's work without prior permission from the Company.

2. The employees are prohibited from any actions that are considered infringement of copyrighted work of others. Installation of any programs into the Company's computer shall comply with the software standard. In case of installation of any other programs, permission from the administrators of the programs is required and the employee will be held responsible for infringement charges occurring from installation of software that is not permitted by the Company or is illegal.

In this regard, the Company has determined policies regarding infringement of intellectual property, copyright, and computer security for employees of the Company and subsidiaries and to prevent violation of the Copyright Act and the Computer Crime Act.

#### **- IT Governance and Management**

On 26 July 2018, the Company reviewed and revised the policies regarding IT governance and management and IT security, which include the following aspects: IT risk management, IT resource allocation and management, corporate IT governance and management, information security operations and compliance, information system security structure management, human resources information system security, information asset management, information and information system access control, data encoding control, physical and environmental security, security of information system-related operation, security of information communication via computer network system, procurement, development, and maintenance of information system, use of information system services from outsources, management of events that are threat to information system security, and management of business continuity regarding information system security. The Company has provided trainings for the employees to create understanding about the policies and to use them as a guideline in managing risk and controlling security of information in regards to confidentiality and accuracy of information and readiness of information and information system, as well as to comply with applicable business conditions, laws, and regulations.

Moreover, on 23 March and 22 July 2018 the Company arranged the training course about the security awareness with the objective of giving knowledge to all employees to aware of the malware from daily computer using.

#### **- Anti-Corruption and Bribery**

The Company has launched an Anti-Corruption and Bribery Policy and disseminated the policy for the executives and employees of the Company and subsidiaries via the organizational communication channel and for the public via the Company's website [www.asiplusgroup.co.th](http://www.asiplusgroup.co.th). The policy covers practice guidelines about political contribution, corporate philanthropy, funding, business gift and entertainment, bribery, and relationships with third parties, as well as corruption prevention and whistleblowing. The Anti-Corruption Policy will be proposed to the Executive Committee and the Audit Committee for review at least once a year to keep up with government's regulations and current situations; any amendments have to be approved by the Board of Directors before changes are made. In addition, the Company has evaluation of corruption risk, possible impact and solution, KPI, and resources needed for reducing such risk and report the result of the evaluation to the Risk Management Committee.

The Company and all subsidiaries have been certified as members of Thailand's Private Sector Collective Action Against Corruption (CAC) since 16 January 2015 and 10 July 2015 and the certification of the Company and all subsidiaries are completely renewed and certified on 17 May 2018. It shows the intention of the Company and all subsidiaries to adhere to integrity and transparency in operating the business and take the responsibilities to all stakeholders. The details of Anti-Corruption are shown in topic "Corporate Social Responsibility" on page no.89.

#### **- Anti-Money Laundering & Combating the Financing of Terrorism**

The Company's subsidiaries which engage in the core business of the Company had appointed the Anti-Money Laundering & Combating the Financing of Terrorism Committee, which is responsible for proposing the Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass

Destruction Financing policy and amendments as well as giving advice in the screening for suspicious behavior, examining suspicious transactions proposed by the committee, and considering penalties in case that the Company's employees and officers fail to comply with the policy.

#### Community:

The Company and the subsidiaries have given importance to social responsibility by encouraging the employees to reinforce and developing the society as following:

- 1) The executive and analysts of the Company and the subsidiaries serve as guest speakers, giving lectures on the capital market at various institutions such as the SET and universities.
- 2) The executives of the Company and the subsidiaries serve as committee members at various associations and clubs, providing opinions and assisting in setting up rules and regulations governing the securities business.
- 3) The Company had provided training to develop investment knowledge and skill to create new potential investors into the capital market.
- 4) The Company had allowed new-gen businessmen to visit the Company to learn about the business and to receive knowledge about investments.
- 5) The Company and the subsidiaries provide internship opportunities for students every year, allowing them to gain hands-on experience working in different departments.
- 6) The Company had staged a blood donation campaign for the Thai Red Cross Society.
- 7) The Company and the subsidiaries donate money and humanitarian aids to the unfortunate, charitable organizations, and those affected by disasters.
- 8) The Company holds a painting competition with an objective to revive popularity of art in Thailand and encourage Thai artists, especially the new generation, to become widely known.

#### Environment:

The Company realizes that the business operations of the Company may cause some effects to the environment so the Company and the subsidiaries continually develop the working process to reduce the effect to the environment as much as possible while creating the values to the stakeholders. The Company and the subsidiaries using the technology, electronic system including environment friendly office equipment for reducing of using the resources, saving the energy, moreover, the Company promoted the energy saving campaigns. The details are shown in "Corporate Social Responsibilities" in page no.92.

#### Channel and procedure for whistleblowing by stakeholders

The Company and subsidiaries have a whistleblowing policy and procedure to prevent and monitor corruption in the Company. In this regard, the Company has provided a whistleblowing channel for all stakeholders and promoted the channel to all the employees, customers, shareholders, partners, associates, government agencies, and the public. Whistleblowers can report a fraud or misconduct by submitting a sealed letter to "Chairman of the Audit Committee of Asia Plus Group Holdings Public Company Limited at 3/1 Floor, Sathorn City Tower, 175 South Sathorn Road, Sathorn, Bangkok 10120 Thailand". The Chairman of the Audit Committee will notify the whistleblower within seven working days after receiving the letter and then conduct fact-checking according to the Company's rules and procedures and suggest an execution to the Executive Committee and the Board of Directors to solve such a problem. If the subject is found guilty, they will be penalized under Company's rules and applicable laws. The Company also has a policy of protecting the whistleblower and keeping related documents and examined facts confidential. The Company has published details about the policy and practice guideline of whistleblowing on the Company's website at [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th).

## Section 4 Information disclosure and transparency

In 2018, the Company ensured the full disclosure of financial and non-financial information that was accurate, complete, timely, and transparent in accordance with the information disclosure rules and regulations stipulated by the Office of the SEC, the Capital Market Supervisory Board and the SET. The Company has established a broad spectrum of dissemination channels to ensure easy access to the information including SET's communication channels, the Annual Report, and Form 56-1. The information in both Thai and English versions is also available on the Company's website: [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th), which is updated on a regular basis. In addition, the Company disclosed the unreviewed quarterly and unaudited annual financial statements beyond SET's requirement to speed up financial information availability for investors. There has been no material difference noted between those unreviewed/ unaudited and reviewed/audited reports.

### Quality of financial statements

The Board of Directors is all in favor that the financial statements of the Company and the consolidated financial statements of the Company and the subsidiaries as of 31 December 2018 are accurate and that appropriate accounting principles have been applied with due care and discretion. The financial statements have been prepared in conformity with the Thai Financial Reporting Standards. Also, the Company constituted the Audit Committee whose members possess knowledge, expertise, and experience needed for financial inspections and examinations of the accuracy of the financial reports. This guarantees the report's credibility and true reflection of the Company's operations.

In addition, the Company discloses the unreviewed quarterly and unaudited annual financial statements beyond SET's requirement to speed up financial information availability for investors. There has been no material difference noted between those unreviewed/ unaudited and reviewed/audited reports. The Company discloses not only the financial statements but also the operation results and management discussion and analysis (MD&A) in order to ensure that the investors understand any changes in relation of financial status and quarterly operation result besides the numbers shown in the financial statements.

### Relations with investors

Realizing the importance of the shareholders, the Company supervises the rights and benefits of shareholders as well as creating the relationships with the shareholders. Moreover, for greater convenience, investors, shareholders or interested persons can up to date about the Company's

information or make inquiries or request the financial statements or further information at the e-mail address: [public\\_relations@asiaplus.co.th](mailto:public_relations@asiaplus.co.th) or Company's website: [www.asiaplusgroup.co.th](http://www.asiaplusgroup.co.th) or Call Center. The investors, shareholders, or interested persons use these channels to contact or communicate to the Company.

In 2018, the Company presented the financial performance to analysts, investors and the press on a regular basis in a form of meeting activities such as the Opportunity Day, Money Expo, SET in the City, CEO Forum, etc. which were arranged either by the Company or other agencies such as the SET. This session offered opportunity to analysts, the press, and investors to meet the Company executives and to inquire about the Company's operations and progress as well as educated investors. In 2018, the Company arranged and participated these activities as below:

1. Press Conference 1 time (On 31 January 2018)
2. Opportunity Day 4 times (Every quarters)
3. Money Expo 2 times  
(On 10-13 May and 9-11 November 2018)
4. SET in the City 1 times (On 15-18 November 2018)

In addition, the Company made regular and timely posting of information, the progress of the Company's operation, and the stock analysis on the Company's website for equal accessibility for all groups of stakeholders. The Company ensures that the disclosure of information is clear, accurate, transparent, reliable, and straightforward, providing information to all concerned parties in an equitable, complete, and timely manner in line with the principles of good corporate governance.

Chief Executive Officer and Executive Directors are authorized to hold press conference or public relation activities to disseminate news or important information of the Company. However, they may delegate the duties to the relevant executive of each business line.

## Section 5 Responsibilities of the Board of Directors

### Structure and composition of the Board

As of 31 December 2018, the Board of Directors comprised 9 directors, mostly of the directors are non-executive directors. The composition of the Board are 4 independent directors, 1 non-executive director, and 4 executive directors. The number and composition of directors in the Board are determined in proportion to the size and requirements of the Company. The duties and responsibilities of the Board have been clearly defined under "Management Structure".

The Board of Directors is composed of persons who have diverse knowledge, skills, expertise, experience, ability, leadership, and vision to help effectively manage the Company's business operations. A director must devote sufficient time and effort to carry out duties to ensure the Company has a good management that is transparent and verifiable. This is to strengthen the confidence and trust of shareholders, investors, stakeholders, and other concerned parties.

The number of independent directors of the Company is more than that advised in best practices issued by the SET and the Company. They all possess qualifications defined by the Capital Market Supervisory Board, as entailed in the "Procedure for nomination of directors and high-level executives" in which the independent director must be independent from any influential sources that may compromise their independence and impartiality. Their number must also be sufficient to create a balance of power in the Board, thereby preventing any director or group of directors from influencing the independent exercise of judgment of the Board and allowing every director to express their opinions freely. The Board appointed Mr. Virach Aphimeteetamrong, an independent director with knowledge and expertise in accounting and finance, as the Chairman of the Audit Committee.

The Company also appointed Mr. Sutthirak Hotakasapkul, Senior Vice President of the Office of Board Secretarial Department, as the Company Secretary. He has all qualifications with experiences in the secretary field. The responsibilities of the Company Secretary appear under "Management Structure" in page no.59.

#### **Independence of the Board from the management**

The Chairman of the Board represents the Company's major shareholder having shareholdings of 14.61 percent of the paid-up capital. Even though the Chairman of the Board is not the independent director, he can perform his duties as the Chairman of the Board efficiently. Moreover, the number of non-executive director and independent director are more than a half of the total number of Board members so it can create the balance of power.

#### **Segregation of the Chairman and the CEO Positions Segregation**

The Company's Chairman of the Board and the Chief Executive Officer are not the same person. The Company has clearly defined the separate roles, authority, and scope of responsibilities of both positions to create a balance of power. The Chairman of the Board is responsible for setting

the overall's Company policies whereas the Chief Executive Officer is responsible for leading the management team to achieve the policy implementation. The detail of duties and responsibilities of the Chairman is shown under the topic of "Board of Directors" in page no.56 and the detail of duties and responsibilities of the CEO is shown under the topic of "The Executives" in page no.58.

#### **Serving as directors of other companies**

Directors are forbidden to operate a business of the same nature as and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of limited liability in a limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the Company, whether for their own or others' benefit, unless the Meeting of Shareholders had been notified prior to the appointment thereto. The Company does not limit the number of other Company boards on which non-management directors serve. Therefore, the directors must take into account the potential time commitment of attending the Company's board meetings to keep abreast of the Company's business operations and to perform his/her duties as the Company's Director efficiently. Furthermore, all directors is required to disclose their directorship of the other company which is not an affiliate or subsidiary of the Company to the Company every 6 months even if there is no change. The qualifications and directorship of each Director are shown under "Details on Directors and Executives" and in Form 56-1.

The Chief Executive Officer, Chief Operating Officer and the Executive Directors who oversee day-to-day operations serve as directors of only one listed company except Mr. Chali Sophonpanich who serve as directors of 2 listed companies. This is to allocate adequate attention to all areas of the business, in accordance with the established objectives to achieve the highest economic value for shareholders.

#### **Transparency in election of directors**

The Company adopts formal and transparent procedures for the election of directors. The Nomination Committee is responsible for selecting persons who have the appropriate skills, abilities, qualifications and other necessary knowledge for the Company's business with an appropriate gender and age and suggesting to the Board of Directors to propose to the Shareholders' Meeting for election of the directors. The procedures are detailed under the "Procedure for nomination of directors and high-level executives".



### Director's terms on the Board

The Company has clearly defined the directors' terms on the Board. At every general meeting, one-third of the directors must retire from office. If the number is not a multiple of three, the number nearest to one-third must then retire. The directors who must retire in their first and second year after Company registration will engage in the draw to determine the name of retiree. For the subsequent year, the director who has served the longest term in that position shall retire. A retiring director is eligible for re-election.

### Efficiency of Board of Directors

The Board understands their leadership roles and responsibilities in overseeing the Company and be promptly responsive to the change and competition while taking into account the impact to the society, environment and stakeholders. The Board has a participatory role in defining and reviewing the visions, long-term and short-term strategies, goals, business plans and budgets to ensure that the management fulfills business plans in an efficient and effective fashion. The agenda of Company's operating results is one of the regular meeting agendas in the Board of Directors meeting. In addition, the Board clearly defines the duties and responsibilities of each committee and communicates such to the Executive Directors and all employees. The Executive Directors work closely with the government agencies and Association of Securities Companies, rendering opinions for changes in rules and regulations as well as competitive environments in the securities business.

Moreover, in the Board of Directors meeting on 18 December 2018, the Board reviewed the Board Charter in order to make such charter be up to date and be aligned with the CG Code and the direction of the company.

The Board assigns the Chief Executive Officer and Executive Directors to arrange and maintain an efficient system of internal controls in the areas of finance, operations, and compliance with the laws and regulations. In addition, the Company also provides an audit mechanism and efficient balance system to protect and manage the capital of the shareholders and assets of the Company. An independent team takes responsibility for monitoring all transactions and reporting the internal control assessment to the Audit Committee in parallel with the Executive Committee.

The Company has established departments responsible for monitoring and auditing the internal control as follows:

#### 1. Compliance and Audit Department is responsible for:

- Being the center providing knowledge to and advice for employees of the Company in order for such person to comprehend and be capable of performing the duty in compliance with the rules, preparing compliance manual and arranging knowledge training for working properly.
- Preliminary reviewing the adequacy and efficiency of the internal control systems of the company and proposing to the Audit Committee once a year in order to be ensured that all activities are done under the adequacy and efficiency of the internal control system, and the risk level are in control.
- Planning to audit according to the risk level.
- Reviewing that the significant work process are in line with the policies, work plan, regulation and concerned law and also giving suggestion to such department, then reporting to the Audit Committee.
- Preparing the annual compliance plan for proposing to the Audit Committee.
- Following up on rule amendment and reporting to the Audit Committee.
- Reporting the compliance risk associated with development or execution of new business.
- Supervising employees of the Company and core subsidiary to comply with the Company's rules and regulations.
- Preparing and proposing annual compliance report to the Audit Committee and the Board of Directors.
- Drafting and reviewing the anti-corruption and bribery policy and monitoring the performing are in compliance with such policy and reporting to the Audit Committee and the Board of Directors.
- Examining the customer's compliant and recording all the concerned evidences.
- Being the coordinator and reporting the incompliance action to the supervisory agency.

The department performs the duties independently and report directly to the Audit Committee.

The Board of Directors appoints Mr. Chirasak Ongpaibool, Executive Vice President of Compliance and Audit Department, as the Head of Compliance. He has full qualifications as specified in the Notification of the Capital Market Supervisory Board. The details of education and experience are shown in “Detail of the Executives” in page no.16.

## 2. Corporate Risk Management Division

In 2018, the organization was restructured and transformed the Market Risk Division into Corporate Risk Management Division for better corporate risk management and effective capital adequacy management. The Corporate Risk Management Division consists of 1) Enterprise Risk Management and Risk Policy Department and 2) Quantitative Risk Assessment, Risk Database, and Risk Model Department.

- 1) Enterprise Risk Management and Risk Policy Department is responsible for risk management of the whole organization, determining thorough risk policies, conducting product screening, and managing operational risk, IT and cyber risk, money laundering risk, and corruption risk. Another duty of the department is to cooperate with responsible departments to create ‘Product Program’ document, which specifies work procedure of new business and new products of the Company as well as examination process, and risk reporting procedure, especially in case of breach of risk limits.
- 2) Quantitative Risk Assessment, Risk Database, and Risk Model Department conducts quantitative risk assessment, determining risk parameter and designing and making market risk reports under a clear written market risk management policy. Since the department mainly applies financial engineering knowledge in their work, they can share knowledge about financial innovation and provide advice about statistics, econometrics, and high-level mathematical analysis to other departments.

## The committee

In order to achieve the Company’s target, the Board of Directors has set up various committees which are the Executive Committee, the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Risk Management to support and to alleviate the burden of the Board in studying the details of each business and to perform their duties as clearly set forth. The members and responsibilities of each committee are shown in “The Company’s committee” in page no.64.

## Board of Directors and other committee meeting

### 1. The Board of Directors

The Board of Directors holds a meeting every month which are scheduled in advance. The schedule of Board of Directors meetings for the next year, 2019, are agreed and informed in the Board of Directors meeting on 14 November 2018. The Board also holds extra-ordinary meetings when they deem appropriate.

For the Board of Directors meeting, the Company set the policy that there should be no less than one-half of the directors present to form a quorum in the Board of Directors meeting and two-thirds of the Board are required to commence a vote. For setting the agendas for the Board meeting, the Chairman of the Executive Committee and the Executive Committee will discuss to set agendas to ensure that important matters are included and each director are allowed to propose the inclusion of relevant items on the meeting agenda. One of the regular meetings agenda is the Company's operating results. The meetings allow for submission of the issue by each director and free consideration and discussions of the issues. If there is any director who has any interest in a particular matter, such director will not vote on such a matter. Moreover, the Executives who involve in any agenda of the Board meeting will be invited to join and give the detail of that matter to the Board. The notice of the Board of Directors meeting will be sent to the directors at least 7 day in advance. In 2018, the Board of Directors held 11 meetings.

### 2. The Audit Committee

The Audit Committee schedules meeting at least 8 times a year;

- The Audit Committee has the meetings with the company's auditors to review the company's quarterly, half-year, annual financial statements and other related financial reports and propose that audited/ reviewed financial statements to the Board of Directors for approval.
- The Audit Committee has the meeting with the Compliance and Audit Department to consider their working plans and acknowledge the results of assessments of the adequacy of internal control system as well as the applicable laws and regulations and assessments of the external auditor.

Moreover, the Audit Committee also hold the extra-meeting for considering the other significant matters. In 2018, the committee held 9 meetings with the external auditors, the managements, and the compliance and audit department. One of 9 meetings is the meetings with the external auditors in absence of the management.

### 3. The Risk Management Committee

The Risk Management Committee schedules meetings once every quarter. The Chairman of the Risk Management Committee will set the agendas for the meeting and the management who involve with the agenda may be invited to join the meeting. In 2018, this committee held 6 meetings.

### 4. The Nomination Committee

The Nomination Committee schedules meetings twice a year.

### 5. The Remuneration Committee

The Remuneration Committee schedules meetings twice a year and the Executive Committee member or management may be invited to join the meeting. In 2018, this committee held 3 meetings.

### 6. The Non-Executive Directors

The Non-Executive Directors hold a special meeting among themselves on 14 November 2018 to discuss issues related to the management and the meeting results was already informed to the Chief Executive Officer.

## Meeting attendance of the Board of Directors and other Committees in 2018

Name	Position	Board of Directors meeting	Executive Committee meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	Risk Management Committee meeting
1. Mr. Chali Sophonpanich	Chairman of the Board of Directors Nomination Committee Member Executive Director	9/11	-	-	-	2/2	-
2. Mr. Kongkiat Opaswongkarn	Chief Executive Officer Nomination Committee Member	10/11	9/10	-	-	2/2	-
3. Mr. Virach Aphimeteetamrong	Independent director Chairman of the Audit Committee Nomination Committee Member Risk Management Committee Member	10/11	-	9/9	-	2/2	6/6
4. Mr. Michael David Roberts	Independent director Remuneration Committee Member Risk Management Committee Member	11/11	-	-	3/3	-	6/6
5. Mr. Sopon Punyaratabandhu	Independent director Audit Committee Member Remuneration Committee Member Nomination Committee Member Chairman of Risk Management Committee	11/11	-	9/9	3/3	2/2	6/6
6. Mr. Satit Chanjavanakul	Independent director Audit Committee Member Chairman of the Nomination Committee Risk Management Committee Member	11/11	-	9/9	-	2/2	6/6
7. Mrs. Nintira Sophonpanich	Director Advisor to the Executive Committee	11/11	7/10	-	-	-	-
8. Mr. Patchara Surajaras	Executive Director Risk Management Committee Member	11/11	8/10	-	-	-	6/6
9. Mr. Pithayain Assavanig	Executive Director	11/11	9/10	-	-	-	-

**Self-evaluation for Board of Directors**

The Board will conduct an annual self-evaluation to review, monitor, and assess the performance of the Board. Each director will do the assessment and the company secretary will summary and propose the result of the assessment to the Board of Directors.

This year 2018, the Company revised the self-assessment form in order to align with the CG Code. There are 2 kinds of assessment which are

**1. Board self-assessment**

This assessment is to evaluate the performance of the Board as a team under 5 topics which are

- The structure and characteristics of the Board
- The roles and responsibilities of the board
- The board meetings
- The board's performance of duties
- The self-development of directors and executive development

The average score of the individual self-assessment is 93.98%.

## 2. Individual self-assessment as Board or Sub-Committee

This assessment is to evaluate the Board or Sub-Committee's performance as individual under 3 topics which are

- The structure and characteristics of the board
- The board meeting
- The roles and responsibilities of the board

The average score of the individual self-assessment is 98.23%.

### Self-evaluation for Sub-Committee

The committees which consist of the number of the directors more than one-half of total number of such committees are responsible for conducting an evaluation in order to evaluate the sub-committee's performance as a team. The Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee are responsible for conducting a self-evaluation under the areas of assessment of

- The structure and characteristics of the sub-committee
- The sub-committee meeting
- The roles and responsibilities of such sub-committee

The results of the assessment are reported in the Board of Directors meeting. The average score of every committee is 96.91%.

In addition, the Remuneration Committee also conducted the annual performance assessment of the CEO for considering appropriate remuneration and other benefit.

### self-evaluation for independent director

In 2018, the independent directors have to do the independent director self-assessment form for certify their independent. This is to ensure that such independent director is still be qualified to be the independent director of the Company and still be independent from the management and have no stake or relationship that can have significant influence on an ability of the independent director to use independent judgement and discretion for the best interest of all shareholders. The results of the assessment are reported in the Board of Directors meeting.

## Remuneration of directors and executives

Annual remuneration for the Board of Directors was approved by shareholders at the annual general meeting of shareholders no. 24 dated 25 April 2018 at an amount not exceeding 15 million baht. This took effect from the fiscal year 2018 onwards until the shareholders meeting determines otherwise. The Remuneration Committee considers the annual remuneration for the member of the Board of Directors within the fixed amount. The rate will be on a par with that of the industry and will be attractive enough to retain the directors with the desired qualifications. It will also be commensurate with additional assigned duties and responsibilities. Directors who serve as Audit Committee members and Risk Management Committee members are entitled to additional remuneration due to the extra duties. The directors received the remuneration in the form of director fees and bonus. The bonus will be paid to the director who is not the employee of the Company.

Remuneration of the Executives corresponds to the Company's operating results, the performance of each individual management executive. The remuneration is considered by the Remuneration Committee. Details of directors and management remuneration as of 31 December 2018 are shown on item "Remuneration of directors and executives".

## Succession Plan

The Company realizes the importance of succession plan for the top management so the Company set the succession policy to ensure the continuity of important work.

### Self-development of directors and executives

When a new director joins the Board, the Board will give the new director an orientation, covering the Company's policy, corporate overview and also rules and regulations. In 2018, there is no new director so there is no orientation for new director.

The Company encourages and facilitates the Company's directors, executives and company secretary to attend the seminar or the training course, paid for by the Company, in order to continuously develop themselves and enhance their knowledge about their roles and responsibilities as the Company's directors or executive officers. The Company's directors attended not only the Director Accreditation Program (DAP) but also the Director Certification Program (DCP) and Corporate Governance for Capital Market Intermediaries course (CGI). Besides the courses which concerning their roles and responsibilities, the company also provided on-site and off-site courses with equipped with the knowledge about the Company's new financial product to ready them for the changing business environment. The training are offered both on-site and off-site. The training and development program which the Company's directors and executives attended in 2018 are as below:

Director name	Date	Training course
Mr. Patchara Surajaras	15 November 2018	AWS innovation workshop
	28 November 2018	Business partnering
Mr. Pithayain Assavanig	15 November 2018	AWS innovation workshop
	28 November 2018	Business partnering

Moreover, in 2018, the Company also arranged a strategic workshop where the Company's directors, executives, and representation from each division joined to discuss about the Company's business strategy and how to accomplish the goal.



# Corporate Social Responsibility

Asia Plus Group Holdings Public Company Limited and subsidiaries are a financial business group greatly influenced by the economic and financial condition of the country. The risk as regards crisis is, therefore, higher than other types of businesses or industries. It is vital that business be conducted adhering to social responsibility prior to the occurrence of any crisis. Business is built upon honesty, moral principles, and social responsibility within the operation process of the Company's main business, with the objective of building confidence and trust amongst stakeholders.

Nonetheless, it is the nature of business to achieve a return on investment - profits, stability, development or growth. For business to achieve sustainable growth, not only do interest or profits need to be gained by the organization but also a return of profits in terms of contributing to the well-being of society. Business operations that take into account social responsibility including environmental preservation in the community and society as a whole, morality, and good corporate governance will lead to sustainable success.

To improve the sustainability of the enterprise and society, the Company and subsidiaries have, therefore, designated the vision as regards social responsibility as follows:

**“Conducting business adhering to moral principles and good corporate governance, with responsibility towards stakeholders and environment” in order to achieve the sustainable growth and development of the organization.**

The common operations of the Company and subsidiaries reflecting social and environmental responsibility consist of:

## 1. Operations with fairness

Asia Plus Group Holdings Public Company Limited and subsidiaries conduct business with fairness, disregarding other interests that may derive from inappropriate operations with the objective of creating confidence amongst relevant parties, and adhering to and operating in accordance with the following guidelines:

- To practice according to the agreement framework as concerns competition designated by the industry or official governor. To maintain the standard of regulations for competition, not seeking the confidential data of trade competitors by employing dishonest means, and not attempting to tarnish the reputation of rivals through slander. In 2018, there were no matters in dispute concerning the Company as related to trade competitors in any way.
- To govern operations to be in strict compliance with relevant laws, rules and regulations ensuring that there is no action violating laws or regulations of a governing agency. Furthermore, the subsidiaries have set up a sub-committee for the prevention of money laundering and the provision of financial support to terrorism to perform its duty in improving and drafting policy, as well as providing suggestions regarding the process and regulations of information filtration, and suspicious behaviors. In addition, the sub-committee is to stipulate penal codes in cases where employees and staff do not act in accordance to the designated rules and policy to better suit the current situation.
- To have policy and code of conduct with the objective of preventing conflicts of interest, and ensuring that directors, executives and employees with stakes do not take part in considering or approving any item likely to cause conflicts of interest. To have a procedure for considering and approving related items and ensuring the completeness of information disclosure.

## 2. Anti-corruption

The Company and subsidiaries place importance on the reputation and preservation of the credibility the Company and subsidiaries receive from clients, shareholders, trade partners, coworkers, public agencies and the general public. This is reflected in a policy in operating business in alignment with moral principles and good corporate governance, abiding by responsibility towards every relevant party, as well as expressing the intention to carry out business corruption-free, and to take a stand against the acceptance and offering of bribery in every form as described below:

- The Company and all its subsidiaries are certified as members of Thailand's Private Sector Collective Action Coalition Against which is operated by the coordination of seven leading organizations, namely the Thai Institute of Directors, Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organizations, and Federation of Thai Industries.
- The Company and subsidiaries have an appropriate anti-corruption and Bribery policy and also Whistleblowing policy in line with Thailand's Private Sector Collective Action Coalition Against Corruption specifying that executives and employees strictly abide by such policy. The policy covers the significant matters of political contribution, charitable donation, sponsorship, gift and entertainment, bribery and relationships with third parties. This policy, moreover, includes risk management for corruption, reports and records of accounting and financial data, and human resource management.

The Company has communicated and publicized this issue among employees in the organization and the general public as well as following up and controlling compliance with the policy. The Company, in addition, has whistle blowing policy and practices, and punishment in cases where violation or non-compliance with such policy occurs. The Company reviews this policy at least once a year for it to be appropriate and up-to-date. In 2018, these policies had been reviewed and revised in order to comply with the guidelines on appropriate internal control measures for juristic persons to prevent bribery of state officials under the Organic Act on Counter Corruption, B.E. 2542 (1999). These policies was approved by the Board of Directors and announced to employee since 18 December 2018.

The Company has disclosed details as regards such policies on the Company's website: <http://www.asiaplusgroup.co.th/about-us.php> under the topic of Corporate Governance as another channel of communication.



- The Company conducted the risk assessment of corruption and its possible consequences, seeking a control measure, key performance indicators, and necessary resources for reducing the risks and setting guidelines for anti-corruption practice, internal control measures and regulations at least once a year. And the results of the assessment was reported to the Risk Management Committee.
- The Company and subsidiaries participated in anti-corruption seminars and activities of several organizations to gain knowledge and understanding about the subject and to show the Company's standpoint on anti-corruption.
  1. A seminar "Citizens Wake Up to Fight Corruption", held by the Anti-Corruption Organization of Thailand at Bangkok Art & Culture Centre (BACC) on 20 March 2018 to give moral support to the whistleblowers on alleged corruption in a financial aid program for the destitute and encourage the society to protect the good citizens and Thais to defy corruption.
  2. An "Anti-Corruption Day 2018" activity, held by the Anti-Corruption Organization of Thailand on 6 September 2018 under a concept "Wake Up Thais to Fight Corruption" to urge Thai people to become active citizens who were not indifferent to corruption and dared to show defiance in order to build social power to protect benefit of the nation and prove that Thailand can conquer corruption for the future prosperity of the country.
  3. A seminar "Disrupting Corruption", held by the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 11 October 2018.
- The Company invited all Asia Plus employees to express their ideas and practice of anti-corruption actions through a video clip contest "Praise the Honest, Eliminate the Corrupted" in November 2018. The project received good responses from the Company's executives as well as front office and back office staff at the headquarters and branch offices in Bangkok and other provinces. All the 14 video clips submitted by the contesters reflect disagreement with many forms of corruption.
- On 12 December 2018, the Company provided training about anti-corruption policy and practice guideline for the employees and executives of the Company and subsidiaries. Video conference training was also provided for those who could not make it to the training room.

### 3. Anti-Money Laundering and Counter – Terrorism and Proliferation of Weapon of Mass Destruction Financing

- The Company has an Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy, stipulating the regulations and code of practice relating to the acceptance of clients, and risk management as concerns money laundering and counter-terrorism and proliferation of weapon of mass destruction financing. The objective is to prevent any wrong-doing party from using security transactions or services received from the Company or subsidiaries as a means to launder and cause terrorism. There is also a tracking system for customers' accounts and questionable transactions.
- The Company makes use of the information system to support the CDD Gateway System with the objective of assisting the verification of customers' details with efficiency and standards to comply with the Anti-Money Laundering Act and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act.
- The Company set international standard measures for investigating investors' risk related to money laundering and the financing of terrorism and proliferation of mass destruction to prevent and reduce risk from being used as a channel or medium for money laundering and financing terrorism.
- The Company conducted the risk management assessment about money laundering in order to know the risk level of the company.
- On 18 and 25 July, and 8 August 2018, the Company provided training on the Anti-Money Laundering Act and the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act for the employees and executives of the Company and subsidiaries.

### 4. Observance of human rights and fair treatment of laborers

Fully aware that employees are a highly valuable resource for the Company's progress and achievement, the Company and subsidiaries treat them with equality and fairness, and offer compensation commensurate with knowledge, capabilities, duties and responsibilities, and the result of the work performance of each employee. Furthermore, the Company and subsidiaries improve the work environment and conditions for the better quality of life of employees. The Company also provides them with the opportunity to show their potential, as well as practice and enhance their work skills in accordance with the guidelines below:

- Fair employment relies on the Human Rights Principles and Labour Rights whereby dissimilarities in terms of nationality, gender, age, religion and disability are not taken into consideration in hiring personnel.
- Avoiding any unfair acts likely to affect the security of the duties of employees.
- Treating employees with equality and fairness, and providing compensation commensurate with knowledge, capabilities, duties and responsibilities, and the results of the work performance of each employee. Each staff member is evaluated according to the designated criteria framework. The Company also provides the opportunity to those interested to change their work according to their knowledge and competence for the self-development and efficient improvement of the organization.
- Promoting the observance of the human rights of supervisors, those supervised, and coworkers, not slandering others with no factual basis as well as attempting to maintain and create harmony and unity.





- Providing a complaints channel for employees with clear and fair procedures and directions in order to examine and ascertain the truth according to the designated criteria and process.
- Promoting and encouraging employees to improve their knowledge, competence and skills useful for work and customer service by organizing a training session for staff working for both the headquarters and branches in Bangkok and the provinces. For example, program training beneficial to operations is carried out and the knowledge about the new innovation or technologies are also including in the training program for employee.
- The Company had supported or engaged in activities to boost work spirit of employees such as Securities Broker Champion 2018, and other activities, as well as provided training for marketing officers continuously.
- Making use of the electronic storing system of documents and evidence to replace the paper version to increase efficiency in storing and searching for documents more easily, conveniently and rapidly.
- Allocating the appropriate welfare such as setting up a provident fund, life and health insurance, medical fees, annual health checks, and flu vaccines, etc.
- Providing a fitness room for staff as part of welfare and encouraging them to exercise for good health. The room also serves as a relaxing space and meeting spot for employees. Moreover, the Company has set up sports clubs urging staff to participate in games with external agencies, including table tennis, football, and badminton, with the objective of strengthening the relationships among staff in the Company and external agencies. Moreover, the Company arranged the training course concerning health in order to enhance the knowledge about good health for employees such as knowing the cervical cancer, etc.
- Ensuring the safety, cleanliness and tidiness of the environment in the workplace as well as providing equipment to facilitate the efficiency of the work performance of employees. The Company also has a policy to replace office computers every five years for employees.
- Assuring that communication between a top executive or chief executive officer and employees from every level is done through e-mails every month for every staff to acknowledge policy, activity news, changes, or major developments in the organization. In addition, the participation of employees is increased allowing executives and staff to become closer. Staff, in addition, will obtain ideas and viewpoints from executives beneficial to their work and lives.

## 5. Responsibility towards customers

The Company operates business by investing in other companies and consequently has no customers of its own. However, the Company's subsidiaries provide financial service; therefore, the emphasis is on operations with customers as the center, and the subsidiaries are determined to meet customer demands through presenting a diverse range of products. Committed to adding the value of service to the maximum, the Company and subsidiaries have operational guidelines as regards customers as follows:

- Placing significance on non-disclosure of customers' confidential information, protecting customers' interest with honesty and integrity, not making demands for benefits from customers in exchange for the performances of duties, and treating every customer with fairness in accordance with professional ethics. There is also a system designed to receive complaints from customers to ensure that a matter is settled fairly and speedily. Further to this, the Company and subsidiaries take part in the Dispute Resolution Process by Means of Arbitration organized by the Securities and Exchange Commission.
- Arranging training and a seminar for customers to share knowledge about products, new financial services, and investment techniques and strategies to help them understand and gain confidence in purchasing such products and services. Training is carried out at branches both in Bangkok and the provinces, for example, a seminar for customers takes place annually in order to share the vision of global and Thai businesses as well as analyzing the situation of Thai and foreign markets to ready them for investment for the coming year.



- Initiating new innovation or developing the program or application in order to facilitate, and being the assistance for the customers such as ASP Smart Application, DW Scanner Application, ASP Assistant Application, ASP Global Application, ASP Fund Application, the details are shown at “Availability and dissemination of innovation derived from operations based on responsibility towards society, environment and stakeholders” in page no.93.
- Developing and providing more channel such as Facebook, YouTube, Line application for giving information, market situation and knowledge to the customers.
- Introducing new products to provide the alternatives for investment appropriate with the market conditions and investment behavior of each customer. Providing clear explanations to the customers to make sure they understand the risks relevant to the products

## 6. Preservation of the environment

Even though the business operations of the Company and subsidiaries have negligible impact on the environment, the Company and subsidiaries are strongly committed to the conservation of the environment and the continuous and maximum efficiency in employing resources by operating according to the following aspects:

- The Company promoted a paper saving policy at workplace by increasingly switching from sending news and documents to and communicating with customers and colleagues via printed copy format to electronic format via email or the Company’s website instead.
- Digital photocopiers used in the Company and subsidiaries as well as every office branch are environmentally and user friendly.
- Changing light bulbs in the Company’s headquarters and subsidiaries to LED bulbs to reduce the energy consumption and achieve greater cost-effectiveness and turning off equipment or appliances not in use in order to help save electricity.



## 7. Participation in community or social development

The Company and subsidiaries collaborate in improving community and society through the following major activities:

- The Company has organized a drawing contest for eight consecutive years with the objective of reviving the popularity of Thai arts for greater acceptance, adding artistic value to Thai artists, supporting and building the profile of new artists, providing opportunities to students, university students and the general public to use the arts as guidelines for learning and creating work, and exchanging experiences with those interested in studying the arts. The 2018, the Company held a painting contest in a topic “International Perspective” with 155 pieces of paintings from 122 artists participating. On 5 July, the Company held a seminar “Thai Art on the World Stage” to urge new generation artists to adjust and add value to their work in a digital age.
- The Company gave an opportunity for university students and organizations to visit and learn about the Company’s business, while also providing investment knowledge and recommending investment tools for visitors. On 9 January 2018, young business talent from a project



“The Next Tycoon” generation 1 and 2 visited Asia Plus Group to learn about the market outlook and investment knowledge. Subsequently on 11 September 2018, the Company had a pleasure to welcome the judiciary of the Administrative Court and administrative officers and the SEC officers in a company visit.

- The Company and subsidiaries promote and support executives and employees equipped with knowledge and expertise in several areas to take on the role of lecturer sharing what they know with students from universities, personnel working for agencies and organizations, investors and those who are interested such as “The NEXT Real” Program.
- On 21 June 2018, the Company organized the second “Future Generation Wealth Program” to provide training for business successors and new generation executives to develop new potential investors into the capital market, focusing on giving knowledge to develop investment potential and creating understanding about business operations and how to adapt with the rapidly changing situations to generate sustainable growth. Experts from various fields from Asia Plus Group and outside the company were invited to be the lecturers of the program. The second Future Generation Wealth Program was completed on 20 September 2018, with 30 participants in total.

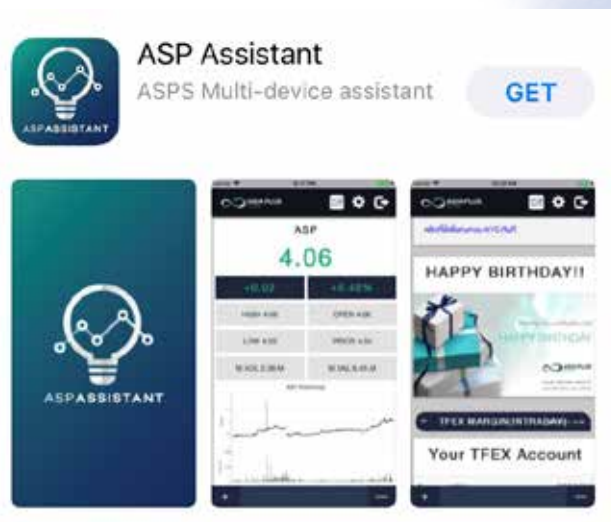


## 8. Availability and dissemination of innovation derived from operations based on responsibility towards society, environment and stakeholders

The Company and subsidiaries realized the importance of technology to manage finance and investment for investors and those who are interested and to please stakeholders. In 2018, the Company and subsidiaries developed innovations and technologies to serve demands of customers and improve service efficiency and effectiveness for the best benefit of customers according to the core strategy.

Apart from ASP Smart and DW Scanner applications we have been developing and upgrading, the Company also built the following new tools in 2018 to help customers get access to information more easily for better investment decision making.

1. **ASP Assistant** - This assistant program automatically notifies users of important information and schedules such as corporate actions, stock analysis papers, maturity dates of warrants and derivatives warrants. The program can be used both via browser and application.

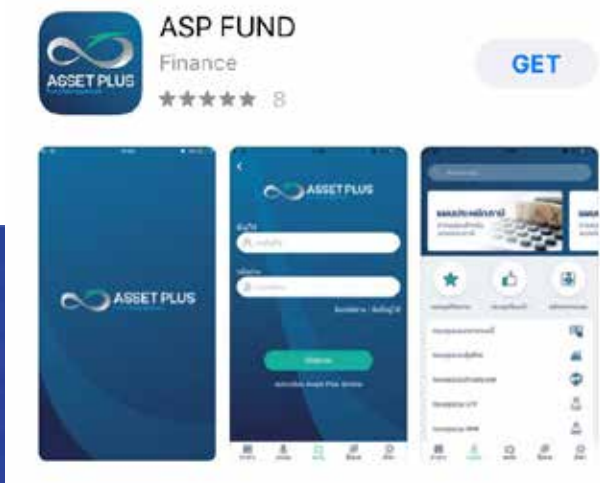




2. **ASP Global** - This application helps customers trade global securities safely and more easily. This program supports trading in major securities markets of six countries: the US, Hong Kong, Singapore, Germany, the UK, and Japan.



3. **ASP Fund** - Not only can it be used for trading funds, this program also has many other functions including providing news from world class news agencies, notifying customers of NAV of their units of investment, recommending stock picks, and helping plan investment for tax saving. The program can be used both via browser and application.



## 9. Social and environmental activities (After process)

In the previous year, the company and subsidiaries conducted the following social and environmental activities:

- The Company held “ASP Care” project, inviting the Company’s employees and those who were interested to participate in a blood donation campaign for the Thai Red Cross Society. In 2018, the donations were staged four times, on 26 March, 25 June, 24 September, and 24 December, with 314 donors and 109,900 cc of blood in total.
- On 30 June 2018, executives and employees of the Company and subsidiaries donated money, necessary appliances, school supplies, and instructional media worth of 459,783.51 baht to Heangkengthai Border Patrol Police School in Amphoe Sai Yoke, Kanchanaburi Province, which has 11 teachers and 178 students in total. The Company also provided lunch for the students and all the school’s staff.
- On 21 July 2018, the Company held a workshop “Woodcut Printing for Bag” for employees, which was an add-on project to the Company’s painting contest. The workshop had 33 participants.





**BESPOKE**

FINANCIAL SOLUTIONS

# Internal Control and Risk Management

The Company has set up an internal control system and risk management system in each work procedure in order to prevent errors and lessen the damage that may occur in a timely fashion.

In the Board of Directors Meeting no.1/2019 on 28 January 2019 which all the three audit committee members attended, the Board of Directors has assessed the adequacy of internal control within the Company and the subsidiaries in five aspects:

- Internal control
- Risk assessment
- Operation control
- Information system and communication
- Monitoring system

The Board of Directors has concluded that in entirety, the Company and the subsidiaries has adequate and appropriate internal control and risk management. The Company has also set up a unit to examine and oversee the operations and risk management of the Company and the subsidiaries with an adequate number of personnel to efficiently operate as planned and follow guidelines.

In the Board of Directors Meeting no. 1/2019 on 28 January 2019 which all the five Risk Management Committee members attended, the Board of Directors acknowledged the report from the Risk Management Committee about the consideration of significant risk issues in accordance with the enterprise risk management framework and reviewing the adequacy of net capital rule (NCR) of the subsidiary, Asia Plus Securities Company Limited, and also the consideration of any risk issues that could significantly affect the Company and subsidiaries such as the risk management process of new businesses, the risk assessment under the anti-bribery and corruption policy, the risk assessment under the anti-money laundering and counter-terrorism and proliferation of weapon of mass destruction financing policy. The Risk Management Committee gave the opinion to Board of Directors that the Company and the subsidiaries have maintained appropriate risk management policies and measures.

The Company has arranged for representatives to join in the three subsidiary companies as committee members in order to closely monitor the performance. Additionally, the Company has formulated standardized regulations and procedures to efficiently protect and review the management of the Company and the subsidiary companies' assets.

## Head of Internal Control and Head of the Company's Operations Oversight

The Audit Committee has approved the appointment of Mr. Chirasak Ongpaibool who received a Bachelor degree in Accounting and a Master of Business Administration from Chulalongkorn University; has over 20 years of work experience in the oversight of securities companies' operations; and has gone through a training course approved by the Office of the Securities Exchange Commission for the position of Executive Vice President of Compliance and Audit Department to be the head of Compliance and Audit Department of the Company. The details of educational background and experience are shown at page no.16 and the responsibilities are as below;

1. Providing the knowledge to and advice for employees of the Company and the subsidiary companies
2. Indicating the compliance risk associated with the development or execution of the new business.
3. Supervising employees of the Company and the subsidiary companies to comply with the Company's rules and regulations.
4. Preparing and reviewing the compliance plan.
5. Reviewing the work process of the Company and the subsidiary companies are in line with regulations and reporting to the Audit Committee in parallel with the Executive Committee.
6. Preparing the annual compliance report.
7. Being center for handling the complaint, resolving the problem and disputing resolution process by way of Arbitration.

# Related Transaction

In 2018, the Company had significant related transactions with some related parties that include shareholders and/or directors in common as follows.

## (A) General Transactions

### 1. Brokerage fee income

(Million Baht)

Related Parties/Relationship		Description		Value		Pricing policy
		Year 2018	Year 2017			
<b>The subsidiaries</b>						
1.	Funds managed by BBL Asset Management Company Limited (BBL Asset Management)					Brokerage fee is a normal rate charged to other customers.
	- Funds managed by BBL Asset Management.	7.6500	7.9862			
	- Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management.	-	130.0842			
		-	-			
<b>The subsidiaries</b>						
2.	Funds and Private Funds managed by Asset Plus Fund Management Company Limited (Asset Plus)					Brokerage fee is a normal rate charged to other customers.
	- Funds managed by Asset Plus.	3.5733	6.0168			
	- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	3.3744	26.7682			
		2.6448	22.9167			
<b>The subsidiaries</b>						
3.	Asia Sermkij Company Limited					Brokerage fee is a normal rate charged to other customers.
	- Related by way of common director, Mr. Chali Sopphonpanich.	0.2531	-			
		-	-			
		-	-			

## 1. Brokerage fee income (Continued)

(Million Baht)

Related Parties/Relationship		Description		Value		Pricing policy
				Year 2018	Year 2017	
4.	Chatrian Holding Company Limited	<b>The subsidiaries</b>				Brokerage fee is a normal rate charged to other customers.
-	Related by way of common director, Mr. Chali Sophonpanich.	- Brokerage fee		-	0.0346	
-	Mr. Chali Sophonpanich, Chairman of the Company holds stakes of 15% in Chatrian Holding Company Limited.	- Securities business receivables		-	-	
		- Securities business payables		-	-	
5.	Panichsawad Company Limited	<b>The subsidiaries</b>				Brokerage fee is a normal rate charged to other customers.
-	Related by way of common director, Mr. Chali Sophonpanich.	- Brokerage fee		0.0021	-	
		- Securities business receivables		-	-	
		- Securities business payables		-	-	
6.	TICON Industrial Connection Public Company Limited * (TICON)	<b>The subsidiaries</b>				Brokerage fee is a normal rate charged to other customers.
-	Related by way of common director, Mr. Chali Sophonpanich.	- Brokerage fee		-	0.6726	
		- Securities business receivables		-	-	
		- Securities business payables		-	72.7283	
7.	Major shareholders, directors, managements and parties who may have conflict of interest	<b>The subsidiaries</b>				Brokerage fee is a normal rate charged to other customers.
-	The Company's directors and executives	- Brokerage fee		1.7111	1.0974	
		- Securities business receivables		-	21.4455	
		- Securities business payables		-	13.7791	
-	The subsidiaries' directors and executives	- Brokerage fee		0.0037	0.1421	
		- Securities business receivables		-	-	
		- Securities business payables		-	-	
-	The close family members of the Company's directors and executives	- Brokerage fee		0.2038	1.4101	
		- Securities business receivables		-	31.0318	
		- Securities business payables		-	-	

Remark: The subsidiaries mean Asset Plus Fund Management Company Limited, Asia Plus Advisory Company Limited, Asia Plus Securities Company Limited  
TICON Industrial Connection Public Company Limited was changed the name to Frasers Property (Thailand) Public Company Limited (FPT)

## 2. Brokerage fee expense

(Million Baht)

Related Parties/Relationship	Description	Value		Pricing policy
		Year 2018	Year 2017	
<b>1. Asia Plus Securities Company Limited</b> (Asia Plus Securities)	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asia Plus Securities and related by way of common directors.	- Brokerage fee	25.0433	19.0799	Brokerage fee is a normal rate charged to other customers.
	- Securities business receivables	0.8013	157.4589	
	- Securities business payables	-	96.9882	

## 3. Fee and service income

(Million Baht)

Related Parties/Relationship	Description	Value		Pricing policy
		Year 2018	Year 2017	
<b>1. Asset Plus Fund Management Company Limited</b> (Asset Plus)	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	- Administrative fee income	5.4560	5.1100	Fee is a normal rate charged to other customers.
<b>2. Asia Plus Advisory Company Limited</b> (Asia Plus Advisory)	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asia Plus Advisory and related by way of common directors.	- Administrative fee income	1.6330	1.6114	Fee is a normal rate charged to other customers.
<b>3. Asia Plus Securities Company Limited</b> (Asia Plus Securities)	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asia Plus Securities and related by way of common directors.	- Administrative fee income	231.5040	182.7760	Fee is a normal rate charged to other customers.



#### 4. Securities lending and borrowing fee expense

(Million Baht)

Related Parties/Relationship	Description	Value		Pricing policy
		Year 2018	Year 2017	
1. Asia Plus Securities Company Limited (Asia Plus Securities) - The Company holds stakes of 99.99% in Asia Plus and related by way of common directors.	<b>The Company</b>			Fee is a normal rate charged to other customers.
	- Securities borrowing fee expense	0.3496	0.2392	
2. Major shareholders, directors, managements and any parties who may have conflict of interest - The Company's directors and executives - The close family members of the Company's directors and executives - The subsidiaries' directors and executives	<b>The subsidiaries</b>			Fee is a normal rate charged to other customers.
	- Securities borrowing fee expense	0.3612	0.5009	
	- Securities borrowing fee expense	0.4831	0.4744	
	- Securities borrowing fee expense	-	-	

#### 5. Goods, services and other expenses

(Million Baht)

Related Parties/Relationship	Description	Value		Pricing policy
		Year 2018	Year 2017	
1. Asia Plus Advisory Company Limited (Asia Plus Advisory) - The Company holds stakes of 99.99% in Asia Plus Advisory and related by way of common directors.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
	- Business Online Service fee expense	0.0290	0.0069	
2. Asia Plus Securities Company Limited (Asia Plus Securities) - The Company holds stakes of 99.99% in Asia Plus Securities and related by way of common directors.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
	- Administrative service fee expense	3.6000	3.5600	
	- Other expenses	0.1876	0.1388	

## 5. Goods, services and other expenses (Continued)

(Million Baht)

Related Parties/Relationship		Description	Value		Pricing policy
			Year 2018	Year 2017	
3. The Bangkok Club Company Limited	- Related by way of common director, and Mr. Chali Sophonpanich and spouse hold 3.89% of stakes in the Bangkok Club Company Limited.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
		- Banquet and meeting room services	0.3835	0.6895	
		<b>The subsidiaries</b>			
		- Banquet and meeting room services	0.1885	0.1815	
4. Metro Systems Corporation Public Company Limited	- Related by way of common director, Mr. Virach Aphimeteetamrong.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
		- Expense for goods and services	0.2848	0.0381	
		- Software expense	0.6322	-	
		- Other payables	0.0117	-	
		<b>The subsidiaries</b>			
		- Expense for goods and services	0.0746	0.1392	
		- Software expense	0.1465	-	
		- Other payables	0.0066	-	
5. Bangkok Insurance Public Company Limited (BKI)	- Related by way of common director, Mrs. Nintira Sophonpanich.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
		- Insurance fee	0.5770	0.4920	
		- Prepaid expense for insurance fee	0.1364	0.1505	
		<b>The subsidiaries</b>			
		- Insurance fee	0.7049	0.6314	
		- Prepaid expense for insurance fee	0.0361	0.0194	
6. Riverside Garden Marina Company Limited	- Related by way of common director, Mr. Chali Sophonpanich.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
		- Banquet and meeting room services for Annual General Meeting of Shareholders	0.3185	0.2901	
7. City Realty Company Limited	- Related by way of common director, Mr. Chali Sophonpanich.	<b>The Company</b>			Fee structure is the same as what applicable to general customers.
		- Rental fee for Asia Plus Art Contest	0.0309	0.0573	

## 5. Goods, services and other expenses (Continued)

(Million Baht)

Related Parties/Relationship	Description	Value		Pricing policy
		Year 2018	Year 2017	
8. Asia Warehouse Company Limited - Related by way of common director, Mr. Chali Sophonpanich.	<b>The Company</b> - Rental fee for storage	0.0002	-	Fee structure is the same as what applicable to general customers.
	<b>The subsidiaries</b> - Rental fee for storage	0.0012	0.0146	
9. Sathorn City Tower Property Fund - Funds managed by BBL Asset Management - Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management. - The Company holds 0.38% in such fund.	<b>The Company</b> - Office repairing expense - Other expense	0.0012 0.0060	- -	Fee structure is the same as what applicable to general customers.
10. I-Secure Company Limited - Related by way of common director, Mr. Sopon Punyaratabandhu.	<b>The subsidiaries</b> - Software expense - Accrued expenses	0.6500 0.2000	- -	Fee structure is the same as what applicable to general customers.

## 6. Funds deposited at bank/interest on deposit/borrowing/fee

(Million Baht)

Related Parties/Relationship	Description	Value		Pricing policy
		Year 2018	Year 2017	
1. Asia Plus Securities Company Limited (Asia Plus Securities) - The Company holds stakes of 99.99% in Asia Plus Securities and related by way of common directors.	<b>The Company</b> - Short term borrowings	1,905.0000	2,035.0000	Fee structure is the same as what applicable to general customers.
	- Deposit for securities trading	105.8104	34.6480	
	- Interest expense	28.1289	45.2180	
	- Interest income	2.2736	1.9153	
	- Accrued dividend income	0.0412	0.0406	

## 6. Funds deposited at bank/interest on deposit/borrowing/fee (Continued)

(Million Baht)

Related Parties/Relationship		Description	Value		Pricing policy
			Year 2018	Year 2017	
2.	Asset Plus Fund Management Company Limited (Asset Plus)	<b>The Company</b> <ul style="list-style-type: none"><li>- Short term borrowings</li><li>- Interest expense</li></ul>	150.0000	150.0000	Fee structure is the same as what applicable to general customers.
	- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.		2.0242	1.6439	
3.	Bangkok Bank Public Company Limited (BBL)	<b>The Company</b> <ul style="list-style-type: none"><li>- Money deposited at BBL in the name of the Company</li><li>- Accrued interest income</li><li>- Interest on saving accounts</li><li>- Bank charges<sup>1/</sup></li><li>- Transfer fee</li></ul>	38.0756	21.1973	The structure of interest on deposit or lending fee is the same as what applicable to general customers or as stated in the agreements.
	- Mrs. Nintira Sophonpanich, the Company's director, is a spouse of Mr. Chartsiri Sophonpanich, President of BBL.				
	- Mr. Chali Sophonpanich, Chairman of the Company, is a younger brother of Mr. Chartsiri Sophonpanich, President of BBL.		0.0028	0.0349	
	- BBL holds stakes of 8.46% in the Company.		0.0834	0.1208	
			0.3699	0.3513	
			0.0000	0.0001	
		<b>The subsidiaries</b> <ul style="list-style-type: none"><li>- Money deposited at BBL in the name of the Company and on behalf of customer</li><li>- Interest on saving accounts in the name of the Company and on behalf of customer</li><li>- Accrued interest income</li><li>- Interest expense</li><li>- Bank charges<sup>1/</sup></li><li>- Accrued bank charges expense</li><li>- Overdraft line<ul style="list-style-type: none"><li>• Credit limits</li></ul></li><li>- Short-term revolving loan line<ul style="list-style-type: none"><li>• Overdraft</li></ul></li></ul>	67.4571	72.6827	
			0.1896	0.1648	
			0.0020	0.0027	
			5.9687	15.9715	
			3.2759	3.6228	
			0.0002	0.0001	
			30.0000	30.0000	
			-	1,000.0000	

Remarks: <sup>1/</sup> Bank charges include transfer fees, bank cheque fee, information services fee, etc

## 7 Rental Expense/Common Expenses

(Million Baht)

Related Parties/Relationship		Description	Value		Pricing policy
			Year 2018	Year 2017	
1. Asia Plus Securities Company Limited (Asia Plus Securities)	- The Company holds stakes of 99.99% in Asia Plus Securities and related by way of common director.	<b>The Company</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
		- Rental expense for the 3 <sup>rd</sup> fl. and regional branch	5.9268	5.9268	
		- Building service income	21.7873	21.7873	
		- Utilities income	0.1824	0.1441	
		- Utilities expense	0.0020	0.0021	
2. Asia Plus Advisory Company Limited (Asia Plus Advisory)	- The Company holds stakes of 99.99% in Asia Plus Advisory and related by way of common director.	<b>The Company</b>			Fee is a normal rate charged to other customers.
		- Other income	0.2028	0.2172	
		- Other accrued income	0.0170	0.0170	
3. Asset Plus Fund Management Company Limited (Asset Plus)	- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	<b>The Company</b>			Fee is a normal rate charged to other customers.
		- Building service income	0.0102	-	
4. Bangkok Bank Public Company Limited (BBL)	- Mrs. Nintira Sophonpanich, the Company's director, is a spouse of Mr. Chartsiri Sophonpanich, President of BBL. - Mr. Chali Sophonpanich, Chairman of the Company, is a younger brother of Mr. Chartsiri Sophonpanich, President of BBL. - BBL holds stakes of 8.46% in the Company.	<b>The Company</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
		- Accrued expenses	0.3674	0.3688	
		<b>The subsidiaries</b>			
		- Rental expense for regional branches	8.8622	8.7282	
		- Prepaid expense	0.0054	-	
		- Rental expense for safe box	0.0083	0.0066	
		- Accrued expenses	0.1154	0.1606	
		- Deposits	1.8850	1.8080	

## 7 Rental Expense/Common Expenses (Continued)

(Million Baht)

Related Parties/Relationship		Description	Value		Pricing policy
			Year 2018	Year 2017	
5.	Sathorn City Tower Juristic Person	<b>The Company</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
	- Ms. Vimolpan Suwantevatoo, the Company's executive, represents the Company as director of the Board of Directors of Sathorn City Tower Juristic Person due to the Company's proprietorship of the 3 <sup>rd</sup> floor of Sathorn City Tower.	- Common expenses - Parking expense - Accrued expenses - Deposits	3.9276 0.0885 0.3264 0.0240	3.6690 0.1041 0.1672 0.0240	
		<b>The subsidiaries</b>			
		- Parking expense - Accrued expenses - Deposits	3.6526 0.0587 0.0164	3.6997 0.0280 0.0164	
6.	Sathorn City Tower Property Fund	<b>The Company</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
	- Funds managed by BBL Asset Management. - Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management. - The Company holds 0.38% in such fund.	- Rental expense for departments of Company's headquarter - Accrued expenses - Deposits	18.4182 0.1789 5.9784	17.7568 - 5.9784	
		<b>The subsidiaries</b>			
		- Rental expense for subsidiaries office - Accrued expenses - Deposits	26.0261 0.3122 5.7044	25.6567 0.4161 5.7044	
7.	Emporium Tower Property fund	<b>The subsidiaries</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
	- Funds managed by BBL Asset Management. - Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management. - The Company holds 0.20% in such fund.	- Rental expense for subsidiary's office - Accrued expenses - Deposits	4.8808 0.0144 1.1450	4.4551 0.0154 1.1450	



## 7 Rental Expense/Common Expenses (Continued)

(Million Baht)

Related Parties/Relationship		Description	Value		Pricing policy
			Year 2018	Year 2017	
8. City Realty Company Limited	- Related by way of common director, Mr. Chali Sophonpanich.	<b>The Company</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
		- Deposits	-	-	
		<b>The subsidiaries</b>			
		- Parking expense	0.0330	0.0413	
9. Asia Warehouse Company Limited	- Related by way of common director, Mr. Chali Sophonpanich.	<b>The Company</b>			The rental fee structure is the same as what applicable to general customers or as stated in the agreement.
		- Rental and storage expense	0.8786	0.9348	
		<b>The subsidiaries</b>			
		- Rental and storage expense	0.2820	0.2540	

Remarks : Rental expenses include lease, services, parking, utilities and property tax.

## 8. Other

(Million Baht)

Related Parties / Relationship		Description	Pricing policy
1. Asia Plus Securities Company Limited (Asia Plus Securities)	- The Company holds stakes of 99.99% in Asia Plus Securities and the related by way of common directors.	As at 31 December 2018, Asia Plus Securities entered into forward contracts to reduce the foreign currency risk in respect of investment in foreign currencies for the Company's portfolio. The forward contracts to sell Euro 0.13 million, USD 5.03 million were on behalf of the Company.	The service with no fee to general customers
2. Major shareholders, directors, managements and any parties who may have conflict of interest	- The Company's directors and executives	As at 31 December 2018, the Company's subsidiary entered into forward contracts to reduce the foreign currency risk in respect of investment in foreign currencies for the Company's directors. The forward contracts to sell JPY 7.06 million, USD 1.55 million, HKD 1.60 million and GBP 0.07 million were on behalf of the Company's directors.	The service with no fee to general customers

**(B) Investment in subsidiaries**

(Million Baht)

Related Parties/Relationship	Description	Value		Investment portion
		as at 31 Dec.2018	as at 31 Dec.2017 (decrease)	
1. Asset Plus Fund Management Company Limited (Asset Plus)	- Investment in common shares	197.7070	197.7070	- Investment portion is 99.99%
	- Dividend income	49.0000	44.0000	
- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	- Accrued dividend income	-	-	
2. Asia Plus Advisory Company Limited (Asia Plus Advisory)	- Investment in common shares	14.9999	14.9999	- Investment portion is 99.99%
	- Dividend income	8.1000	30.0000	
- The Company holds stakes of 99.99% in Asia Plus Advisory and related by way of common directors.	- Accrued dividend income	-	-	
3. Asia Plus Securities Company Limited (Asia Plus Securities)	- Investment in common shares	4,499.9998	4,499.9998	- Investment portion is 99.99%
	- Dividend income	243.0000	648.0000	
- The Company holds stakes of 99.99% in Asia Plus Securities and related by way of common directors.	- Accrued dividend income	-	-	

**(C) Investment in related parties**

(Million Baht)

Related Parties/Relationship	Description	Value		Investment portion
		as at 31 Dec.2018	as at 31 Dec.2017 (decrease)	
1. Bangkok Bank Public Company Limited (BBL)				
- Mrs. Nintira Sophonpanich, the Company's director, is a spouse of Mr. Chartsiri Sophonpanich, President of BBL.	- Investment in common shares	-	26.4226	(26.4226) -
- Mr. Chali Sophonpanich, Chairman of the Company is a younger brother of Mr. Chartsiri Sophonpanich, President of BBL.	- Dividend income	1.1000	1.0550	
- BBL holds stakes of 8.46% in the Company.	<b>The subsidiary</b> - Investment in common shares	2.9013	44.3182	Investment portion is 0.0008%
	- Dividend income	0.8809	0.5248	

**(C) Investment in related parties (Continued)**

(Million Baht)

Related Parties/Relationship		Description	Value as at 31 Dec.2018	Value as at 31 Dec.2017	Increase (decrease)	Investment portion
<b>2. Emporium Tower Property Fund</b>		<b>The Company</b>				
-	Funds managed by BBL Asset Management.	- Investment in common share/unit trusts	4.1000	4.1000	-	Investment portion is 0.2000%
-	Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management.	- Dividend income	1.0906	1.0168		
<b>3. Bangkok Garden Property Fund</b>		<b>The Company</b>				
-	Funds managed by BBL Asset Management.	- Investment in common share/unit trusts	0.7613	0.7613	-	Investment portion is 0.0649%
-	Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management.	- Dividend income	2.3500	1.3500		
<b>4. Sathorn City Tower Property Fund</b>		<b>The Company</b>				
-	Funds managed by BBL Asset Management.	- Investment in common share/unit trusts	0.0640	0.0640	-	Investment portion is 0.3774%
-	Shareholder and close family member of the Company's director holds a position of director in BBL, BBL holds stakes of 75% in BBL Asset Management.	- Dividend income	1.3000	-		
<b>5. The Bangkok Club Company Limited</b>		<b>The Company</b>				
-	Related by way of common director, and Mr. Chali Sophonpanich and spouse hold 3.89% of stakes in the Bangkok Club Company Limited.	- Investment in common shares	1.2400	1.2400	-	Investment portion is 0.5556%
-		- Dividend income	-	-		
<b>6. TICON Industrial Connection Public Company Limited (TICON)</b>		<b>The Company</b>				
-	Related by way of common director, Mr. Chali Sophonpanich.	- Investment in common shares	-	-	-	
-		- Dividend income	0.0300	-		

**(C) Investment in related parties (Continued)**

(Million Baht)

Related Parties/Relationship		Description	Value as at 31 Dec.2018	Value as at 31 Dec.2017	Increase (decrease)	Investment portion
7. Intouch Holdings Public Company Limited (INTUCH)	- Related by way of common director, Mr. Virach Aphimeeteetamrong.	<b>The Company</b>				
		- Investment in common shares	14.9183	23.8666	(8.9483)	Investment portion is 0.0084%
	<b>The subsidiary</b>	- Dividend income	0.3375	0.8220		
		- Investment in common shares	1.8871	2.0807	(0.1937)	Investment portion is 0.0011%
8. Thai Agro Energy Public Company Limited (TAE)	- Related by way of common director, Mr. Virach Aphimeeteetamrong and Mr. Satit Chanjavanakul.	<b>The subsidiary</b>				
		- Investment in common shares	0.0017	0.0017	-	Investment portion is 0.00005%
	<b>The subsidiary</b>	- Dividend income	0.0001	0.0001		
		- Investment in common shares	1.3404	3.6330	(2.2926)	Investment portion is 0.0031%
9. Bangkok Chain Hospital Public Company Limited (BCH)	- Related by way of common director, Mr. Virach Aphimeeteetamrong.	<b>The subsidiary</b>				
		- Investment in common shares	0.1311	0.0344		
	<b>The subsidiary</b>	- Investment in common shares	2.1000	-	2.1000	Investment portion is 0.0047%
		- Dividend income	-	-		
10. Supali Public Company Limited (SPALI)	- Related by way of common director, Mr. Virach Aphimeeteetamrong.	<b>The Company</b>				
		- Investment in common shares	-	-		
	<b>The subsidiary</b>	- Investment in common shares	-	-		
		- Dividend income	-	-		
11. Vintcom Technology Public Company Limited (VCOM)	- Related by way of common director, Mr. Sapon Punyaratabandhu.	<b>The Company</b>				
		- Investment in common shares	-	0.5069	(0.5069)	-
	<b>The subsidiary</b>	- Investment in common shares	-	-		
		- Dividend income	-	-		
12. Asset Plus Europe Value Fund (ASP-EUROPE VALUE)	- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	<b>The Company</b>				
		- Investment in common shares	-	20.1245	(20.1245)	-
	<b>The subsidiary</b>	- Investment in common shares	-	-		
		- Dividend income	-	-		

**(C) Investment in related parties (Continued)**

(Million Baht)

Related Parties/Relationship	Description	Value		Investment portion
		as at 31 Dec.2018	as at 31 Dec.2017	Increase (decrease)
<b>13. Asset Plus Europe Property Fund (ASP-EUROP)</b>	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	- Investment in common share/unit trusts	-	15.0000	(15.0000)
	- Dividend income	-	-	-
<b>14. Asset Plus AI Term Fund 5Y1 (ASP-AITF5Y1)</b>	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	- Investment in common share/unit trusts	86.2210	90.6062	(4.3851)
	- Dividend income	-	-	-
				Investment portion is 24.5939%
<b>15. Asset Plus Robotics Fund (ASP-ROBOT)</b>	<b>The Company</b>			
- The Company holds stakes of 99.99% in Asset Plus and related by way of common directors.	- Investment in common share/unit trusts	30.3000	30.3000	-
	- Dividend income	-	-	-
				Investment portion is 1.5452%
<b>Total</b>		145.8350	263.0255	
<b>Change in fair value</b>		29.4901	30.8762	
<b>Grand total</b>		175.3252	293.9017	

## Necessity and rationale of related transactions

Related transactions in the year 2018 and 2017 were deemed necessary and conducted reasonably in the normal course of business. These transactions involving brokerage incomes, fees, goods and services expenses, saving accounts, bank charges, interest expenses and rental expense (as detailed in A from 1-8) are considered normal business activities as the expenses of fee structure applying to related transactions is the same as that applying to general customers.

In relation to related transactions in investments (as described in B), these transactions had been approved by the Investment Committee and the Board of Directors and effected with due authorization without any vote from common directors. The Company expects to continue carrying out such transactions in the future and shall ensure that transactions shall be effected at the prices and upon the conditions that will provide best benefits to the Company.

## Measures of related transaction approval

Related transactions in the future may cause conflict of interest. Therefore the Company will appoint an Audit Committee to review and consider whether it is necessary or rational to carry out such transactions. In case the Audit Committee is not well experienced in such transactions, the Company will assign independent experts or the Company's auditor make comments on those transactions. Such comments are attributed to approval of the Board of Directors. The related transactions should be beneficial to the Company.

However, the Board of Directors must comply with the Securities and Exchange Act including rules, regulations, provisions and notices of the Securities and Exchange Commission. The Company must ensure its compliance with regulations of information disclosure concerning related transaction and proprietorship according to generally accepted accounting standards established by Federation of Accounting Professions. Upon approval, common directors, member of the Board of Directors, executive directors and/or member of other committees who involve in any transactions, they are not entitled to cast a vote in the meetings.

## Policy of related transactions

The Company expects to continue carrying out such transaction in both A, B and C in the future as they mostly involve normal business activities and benefits of the Company. The company's policy in relation to upcoming related transactions is to follow guidelines as stated in measures or procedures of related transaction.







**BESPOKE**

FINANCIAL SOLUTIONS

# Management Discussion & Analysis

(Consolidated financial statement as of 31 December 2018; “the Company” hereafter refers to “Asia Plus Group Holdings Public Company Limited and subsidiaries”).

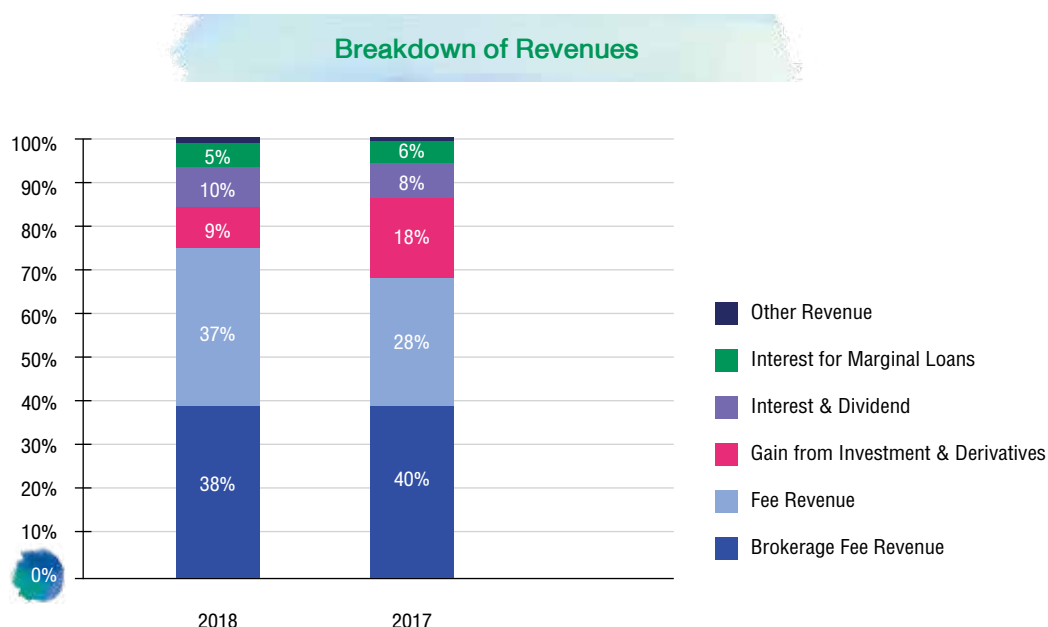
## Results of Operations

As of 2018, the Company had total revenues of 2,271 million baht and net profit of 434 million baht. The revenues decreased 11 percent from 2,555 million baht in 2017 and the net profit decreased 41 percent from 742 million baht in 2017. Earnings per share in 2018 were 0.21 baht, down from 0.35 baht last year.

The Company's net profit decreased 307 million baht or 41 percent from 2017 because both local and global investments had been highly fluctuating throughout the year, causing the Company's gain on investment and gain on derivatives business to decrease 289 million baht from 2017. Moreover, the Company made 85 million baht allowance for impairment loss of investment in bills of exchange of unrelated companies and general investment in 2018.

Of the total revenues of 2,271 million baht, 38 percent or 872 million baht were brokerage fee revenues, 37 percent or 838 million baht were fee revenues, 10 percent or 220 million baht were interest and dividend revenues, 9 percent or 205 million baht were gain on investment and gain on derivatives business. In addition, the Company had interest revenues on margin loans of 120 million baht and other revenues of 16 million baht.

Compared with 2017, the proportion of gain on investment and gain on derivatives business decreased significantly because of highly fluctuating investment markets in 2018, both locally and overseas, while the proportion of brokerage fee revenues decreased only slightly. In contrast, the proportion of fee revenues increased significantly because the Company had given importance to diversifying the revenue base to compensate for revenues from the brokerage business which would decrease as a result of increasingly fiercer competition in the future.

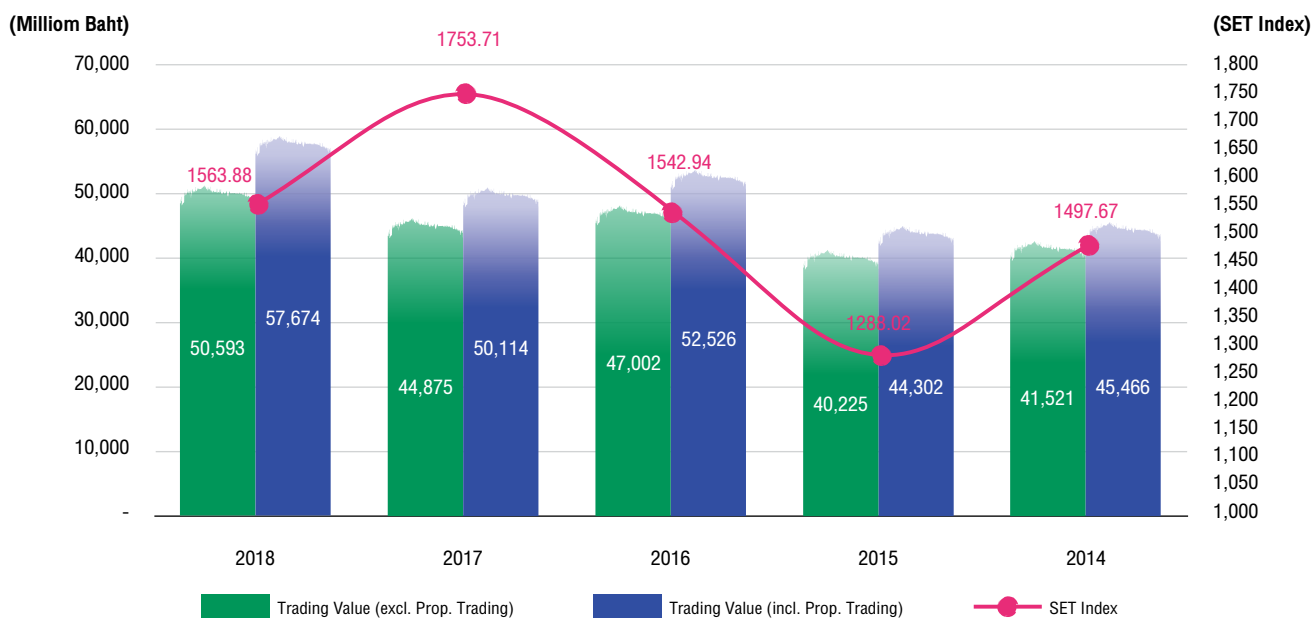


Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

## Brokerage commission fee revenues

Daily securities trading value in the Stock Exchange of Thailand (SET) in 2018 was 57,674 million baht. On 28 December, which was the last working day of the year, SET Index closed at 1,563.88 points, down 190.83 points or 11 percent from the beginning of the year.

### Average Daily Trading Value

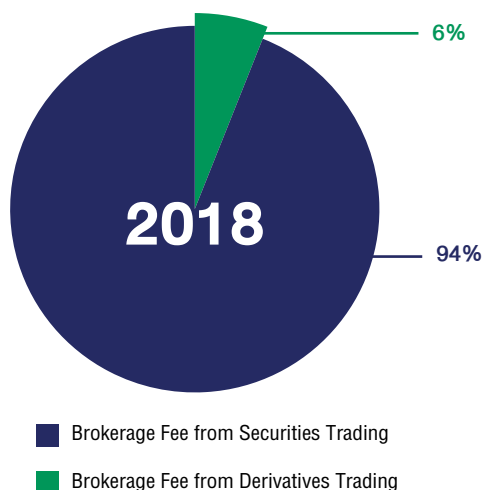


Source: The Stock Exchange of Thailand (SET)

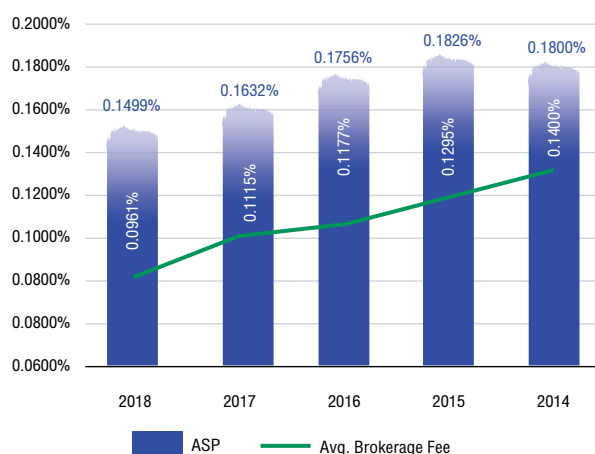
Brokerage commission fee revenues in 2018 decreased 14 percent from 2017 to 872 million baht. Securities brokerage fee revenues decreased 16 percent from 977 million baht to 823 million baht. The decrease of the brokerage commission fee revenues resulted from the Company's lower market share and intensifying price competition. The derivatives brokerage fee revenues increased 22 percent from 40 million baht to 49 million baht.

The net brokerage commission fee rate of the Company in 2018 was 0.1499 percent, down from 0.1632 percent in 2017.

### Breakdown of Brokerage Fee Revenues



### Net Brokerage Fee Rate

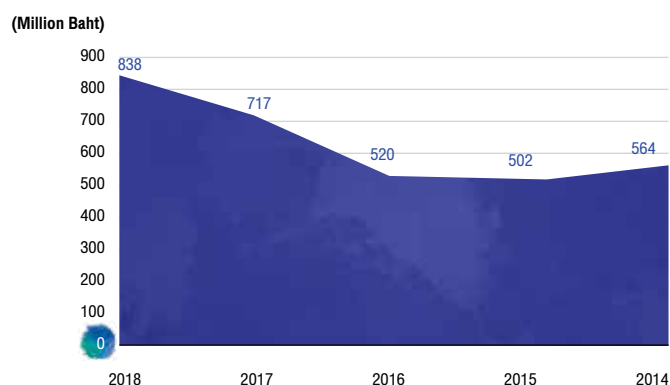


Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

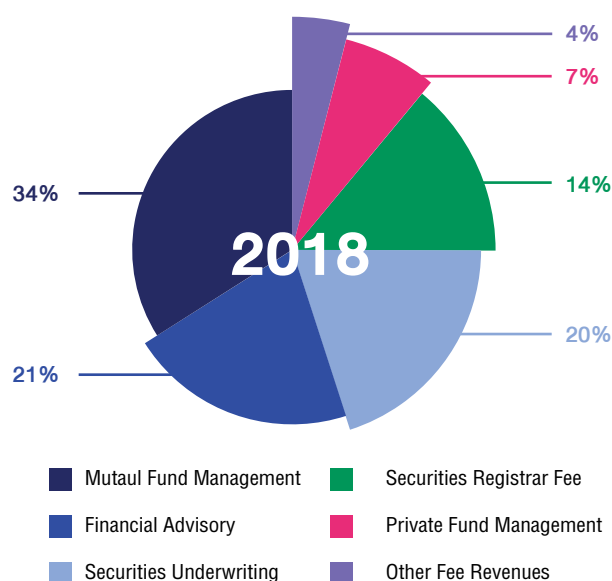
## Fee revenues

The Company's fee revenues in 2018 were 838 million baht, increasing 17 percent from 717 million baht in 2017. Of the total fee revenues, 34 percent were mutual fund management fee revenues, 21 percent were financial advisory fee revenues, 20 percent were securities underwriting fee revenues, 14 percent were securities registrar fee revenues, 7 percent were private equity fund management fee revenues, and 4 percent were other fee revenues. The Company also plans to increase a proportion of revenues from other businesses, e.g., fund management, asset management, global investment, and investment banking, to generate continuous growth in fee and service revenues in the future.

Fee Revenue Growth (Consolidated)



Breakdown of Fee and Service Revenues



Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

## Gain on investment and gain on derivatives business

Gain on investment and gain on derivatives business in 2018 were 205 million baht, decreasing 56 percent from 266 million baht in 2017 as the Company had slowed down investment to adjust investment strategies as a result of volatility of both local and global markets.

However, the Company had distributed risk and diversified its investment both locally and globally to generate continuous profit despite the market fluctuation.

## Interest and dividend revenues

Thanks to the efficient investment and financial management policies, the Company's interest and dividend revenues in 2018 were 220 million baht, increasing 11 percent or 22 million baht from 2017.

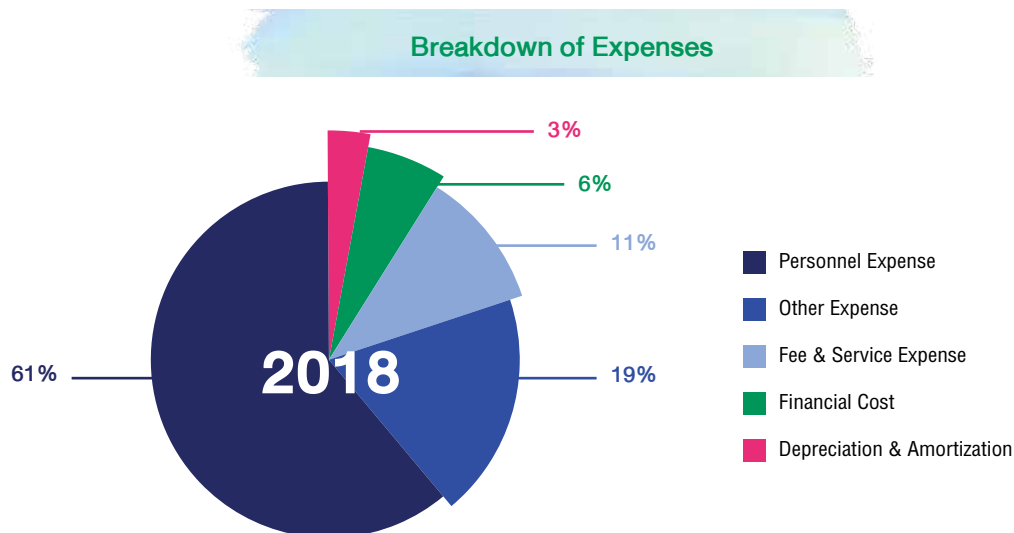
## Interest revenues on margin loans

Interest revenues on margin loans in 2018 were 120 million baht, decreasing 16 percent or 23 million baht from 2017 because the average outstanding margin loans decreased from 2,601 million baht in 2017 to 2,094 million baht in 2018.

## Operating Expenses

In 2018, the Company had total expenses of 1,728 million baht, increasing 6 percent from 2017 because the Company made allowance for impairment loss of investment in bills of exchange and loss of general investment and allowance for doubtful accounts of advisory receivables, whereas personnel expenses decreased.

Breakdown of the Company's expenses in 2018 (excluding impairment of investment) had not changed significantly from 2017, with personnel expenses making up the biggest part. Of the total expenses, 61 percent or 987 million baht were personnel expenses, which decreased 36 million baht from 2017, in line with the decline of the Company's revenues.



Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

## Asset Management

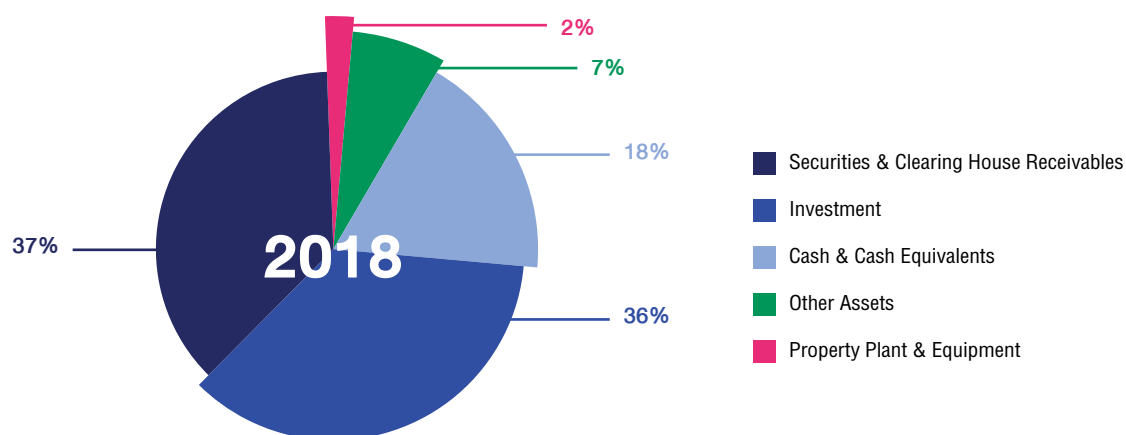
### Assets

Of the total assets in 2018, 37 percent were securities business receivables and receivables from Clearing House, 36 percent were investments, 18 percent were cash and cash equivalent, while other assets made up around 2 to 7 percent each. According to the statement of financial position (consolidated financial statement), the Company's total assets as of 31 December 2018 were 6,392 million baht, decreasing 43 percent or 4,899 million baht from 11,291 million baht as of 31 December 2017.

Going into details, a decline was seen from core assets. For current assets, net securities and derivatives business receivables decreased 2,356 million baht, current investments decreased 1,990 million baht, receivables from Clearing House decreased 720 million baht, and securities purchased under resale agreements decreased 628 million baht. For non-current assets, other long-term investments decreased 26 million baht. In contrast, cash and cash equivalent increased 742 million baht.

However, the Company plans to increase low-risk liquid assets to prepare for investment opportunities in the future.

### Breakdown of Expenses



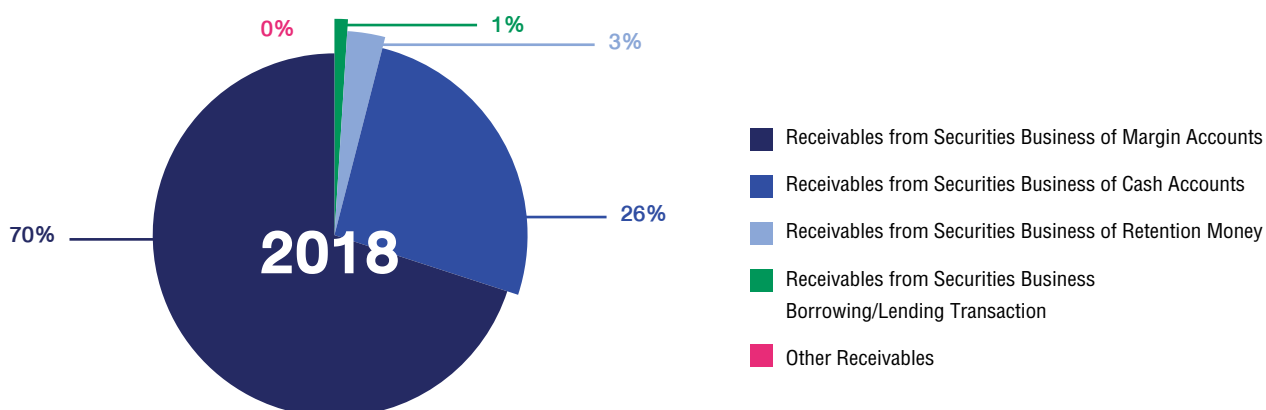
Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

### Securities business receivables and derivatives business receivables

As of 31 December 2018, the Company's securities business receivables and derivatives business receivables were 2,216 million baht, decreasing 52 percent or 2,356 million baht from 2017. Receivables from margin loans decreased 1,347 million baht and receivables from securities business of cash accounts decreased 1,033 million baht because total trading value in the market declined in the third and fourth quarters of 2018 and investors stayed away from investments because of fluctuation in the investment markets, both local and overseas.

Of the total securities and derivatives business receivables, 70 percent were receivables from margin loans and 26 percent were receivables from securities business of cash accounts.

### Breakdown of Receivables



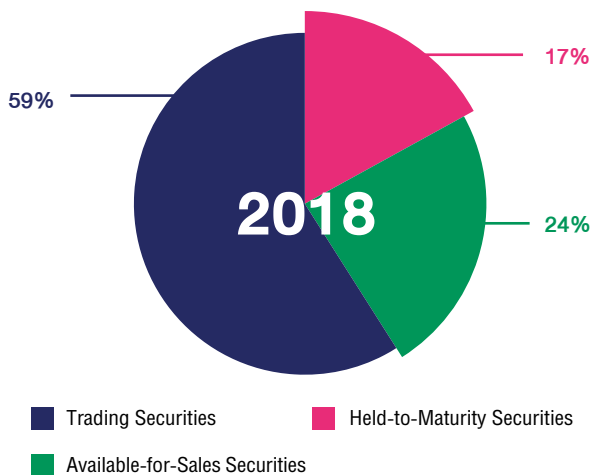
Source: Financial Statements of Asia Plus Group Holdings Public Company Limited



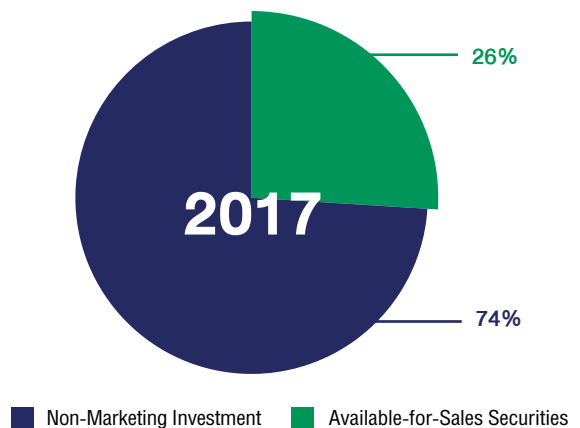
### Current investments and long-term investments

About the Company's investment structure in 2018, current investments accounted for 79 percent and long-term investments accounted for 21 percent. Of the current investments, 59 percent were investments in trading securities, 24 percent were investments in available-for-sale securities, and 17 percent were held-to-maturity investments.

**Breakdown of Current Investment in 2018  
(Consolidated)**



**Breakdown of Long-term Investment in 2018  
(Consolidated)**



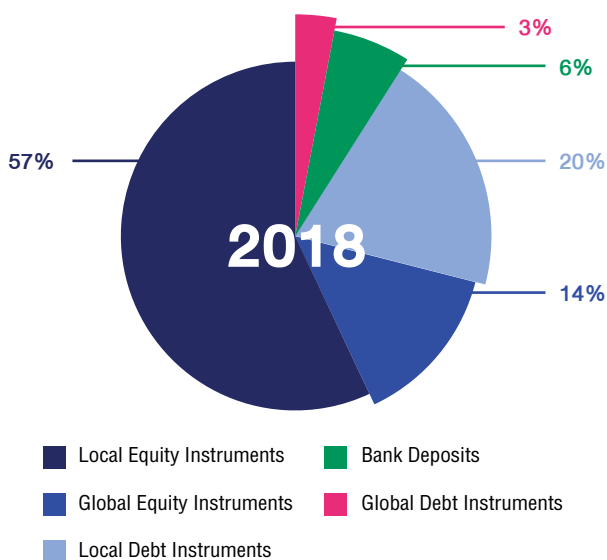
Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

Current investment accounts decreased 52 percent or 1,990 million baht and long-term investment accounts decreased 5 percent or 26 million in 2018 baht. The proportion of investment in local equity instruments changed slightly, decreasing from 62 percent to 57 percent, while the proportion of investment in global equity instruments decreased from 17 percent to 14 percent.

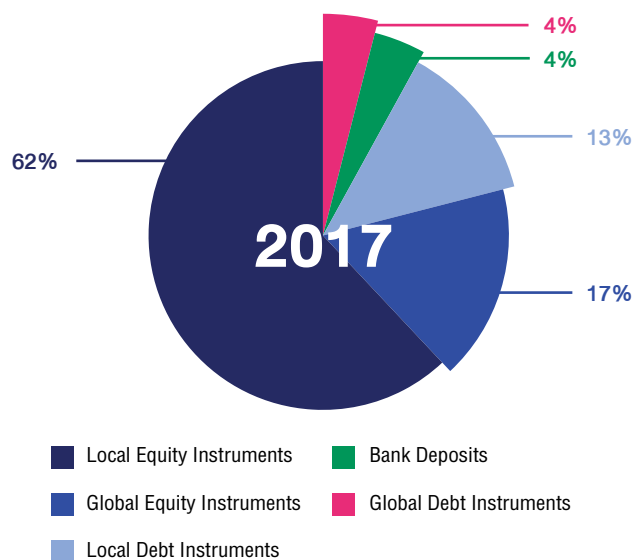
The proportion of investment in local debt instruments increased from 13 percent to 20 percent and the proportion of investment in global debt instruments decreased from 4 percent to 3 percent.

Because of decreasing trading value in the third and fourth quarters of 2018, the Company had to adjust investment strategies along with the market situations.

**Breakdown of Proprietary Portfolio at End-2018**



**Breakdown of Proprietary Portfolio at End-2017**



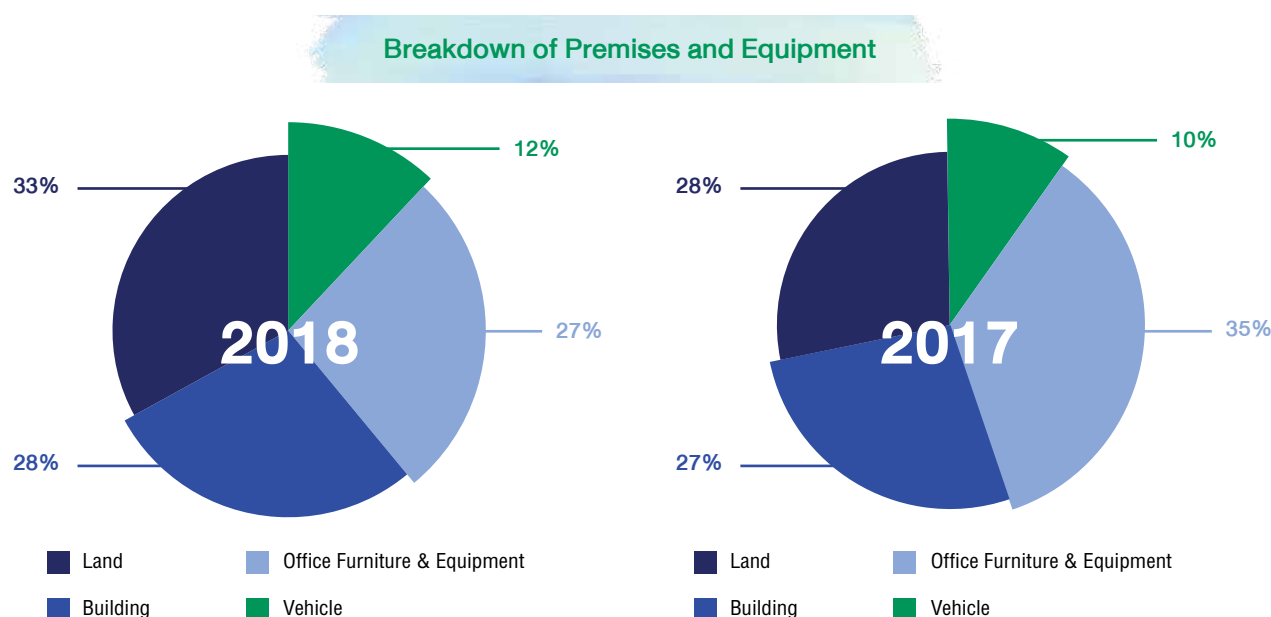
Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

The Company underwent adjustment for valuation of investment. Fair value of marketable securities was calculated from the last bid price of securities at the last working day of the year. Calculation of fair value of debt securities was based on the yield announced by the Thai Bond Market Association (ThaiBMA) and calculation of fair value of unit trust was based on net asset value (NAV) of the unit trust.

### Premises and equipment

The land value was measured at its cost while building and equipment value was measured from the cost less retained depreciation and allowance for impairment loss (if any). Building and equipment depreciation was calculated by a straight-line method based on the service life of the asset.

As of 31 December 2018, net value of the Company's premises and equipment was 157 million baht; 52 million baht was for the land, 43 million baht for the building, 15 million baht for the office furniture, 28 million baht for the office equipment, and 19 million baht for the vehicles.



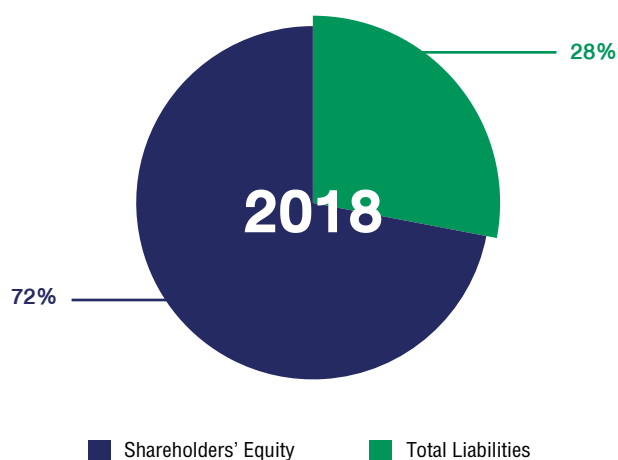
Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

### Sources of capital

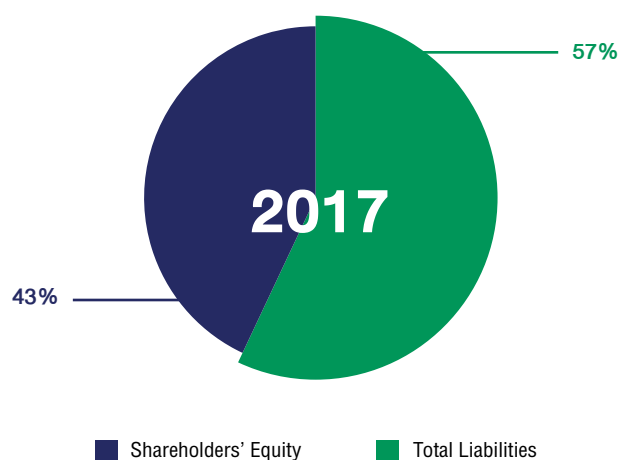
As of 31 December 2018, the Company's capital from liabilities was 1,766 million baht and shareholders' equity was 4,626 million baht. The debt to equity ratio at the end of 2018 was 0.38x, down from 1.34x in 2017. The majority of the Company's liabilities were securities business payables and derivatives business payables, which changed following trading value in the last two working day of each quarter, and short-term borrowings. Excluding securities business payables and derivatives business payables, the debt to equity ratio was 0.27x, down from 1.01x at the end of 2017.

Shareholders' equity in 2018 was 4,626 million baht, decreasing 4 percent or 205 million baht from 4,831 million baht in 2017. Details of the liabilities and shareholders' equity are as follows.

### Capital Structure in 2018



### Capital Structure in 2017



Source: Financial Statements of Asia Plus Group Holdings Public Company Limited

### Liabilities

As of 31 December 2018, the Company had total liabilities of 1,766 million baht, decreasing 4,694 million baht or 73 percent from the same period of 2017. Short-term borrowings from financial institutions decreased 2,450 million baht, securities business and derivatives business payables decreased 1,095 million baht, securities purchased under resale agreements decreased 628 million baht, other short-term borrowings decreased 382 million baht, other payables decreased 103 million baht, derivatives liabilities decreased 88 million baht, and accrued income tax decreased 22 million baht.

Provision for long-term personnel benefits in 2018 was 133 million baht, which was in line with the Company's forecast made by the actuarial science method.

### Shareholders' equity

As of 31 December 2018, the Company's shareholders' equity was 4,626 million baht, decreasing 205 million baht or 4 percent from 2017. The Company's earnings in fiscal year 2018 were 434 million baht and dividend payment in 2018 was 632 million baht. In addition, the Company's net surplus on revaluation of available-for-sale investments decreased 7 million baht.

### Factors and influences on future financial position

SET Index tumbled and total securities trading value decreased significantly in 2018 as a result of many factors, including the investment atmosphere, the interest rate uptrend, concern about the economic downturn of the US and other countries around the globe, and the fluctuating oil prices.

Moreover, many industries have faced digital disruption, which is the change that occurs when new technologies and business models alter consumer behavior and the value proposition of existing goods and services. With such a disruption, business operators have to act fast to adjust their business model and develop a digital business platform to answer the need of customers.

Robotic Process Automation (RPA) has become increasingly popular. RPA has been used to replace redundant work processes, helping save cost of operations, maximize operational excellence, and create customer satisfaction.

Asia Plus Group Holdings has been adapting with new technologies, brining technologies and innovations to improve and accelerate working process, creating relationships among employees, and allowing personnel from various departments to exchange opinions anytime to maximize the Company's efficiency and competitiveness in the industry.

For 2019, the Company will focus on generating revenues from various businesses. The Executive have designed two models of Collaborative Strategic Plan: Wealth Management and Full Service Brokerage. For the Wealth Management model, the Company plans to add new channels for seeking new customers, create brand recognition, develop new products, and facilitate fund trading with new technologies. For the Full Service Brokerage model, the Company plans to extend the customer base to a young customer group and develop systems and tools to help in the offering of information and a great variety of products to customers.

To achieve the Company's targets, the Executive team gives priority to the following factors: 1) to create a success-driven working environment, changing ways of thinking and working to get ready for changes; 2) to create teamwork and internal collaboration working environment, to ensure consistency among each department and move the corporate in the same direction; 3) to become an organization of learning, encourage learning and self-development continuously and giving an opportunity for new generations to show their full efficiency. Developing personnel to be ready for new transactions is a key to stable growth of the Company. At the same time, the Company aims to become a leader in the securities business and move the Thai capital market forward.

## Report of the Board of Directors' Responsibilities for Financial Statements


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The Board of Directors of Asia Plus Group Holdings Public Company Limited is responsible for the consolidated financial statements of the Company and its subsidiaries, including financial information appearing in the 2018 Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent certified auditors who have given their unqualified opinions, which reflected fair and transparent financial position and operating performance that is useful information for shareholders and general investors.

The Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets in order to prevent fraud or materially irregular operation.

In this regard, the Board of directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing and working with internal and external auditors on the financial reports, financial statements and a quarterly and yearly basis, internal control, related transactions including compliance, as appeared in the report of the Audit Committee which is presented in this annual report.

The Board of Directors believed that the company has a satisfactory level of internal control systems and internal audit and can reasonably assure that the financial reports of the company and its subsidiary as at 31 December 2018 are reliable and prepared in line with generally accepted accounting principles and relevant rules and regulations



**Mr. Chali Sophonpanich**  
Chairman



**Mr. Kongkiat Opaswongkarn**  
Chief Executive Officer

# Report from the Risk Management Committee

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For the year ended 31 December 2018

The Risk Management Committee oversees Asia Plus Group Holdings Public Company Limited and its subsidiaries (“the Group”) to ensure appropriate risk management structure, risk management policies and measures are in place. The Committee comprises 4 independent directors and the Chief Operating Officer with the Head of Corporate Risk Management Division as the secretary.

During 2018 the Committee met six times. The Committee considered significant risk issues in accordance with the enterprise risk management framework and reviewed the adequacy of risk capital (NCR). In addition, the Committee also considered the Cyber risk, Business Continuity Plan, the Disaster Recovery Plan, the Anti-Corruption and Bribery Policy, Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) risk assessment and any new risk issues that could significantly affect the Group’s business.

The Committee is of the opinion that Asia Plus Group Holdings Public Company Limited and its subsidiaries have maintained appropriate risk management policies and procedures throughout the year.



**Mr. Sopon Punyaratabandhu**

**Chairman of the Risk Management Committee**

23 January 2019



# Report of the Audit Committee

For the year ended 31 December 2018

The audit committee which has been appointed by the Board of Directors comprises independent directors qualified under requirements of the Stock Exchange of Thailand and possess knowledge and experience in finance, accounting and business management. In 2018, Chairman of the Audit Committee was Dr. Virach Aphimeteetamrong and the other committee members were Mr. Sapon Punyaratabandhu and Mr. Satit Chanjavanakul.

The audit committee performed its duties in accordance with the scope of duties and responsibilities as delegated by the Board of Directors and as set in its audit committee charter. In 2018 the committee held 9 meetings with the external auditors, the management, and the Audit and Compliance Departments. Among these, there were 1 meeting with the external auditors in absence of the management. Matter considered as the meetings include that;

1. Reviewed the quarterly, half-year and annual financial statements and related financial reports. The committee agreed with the external auditor's opinions that the financial statements present fairly, in all material aspects, the financial position and the results of operations in compliance with generally accepted accounting principles, including the accounting laws, and regulations of the SEC and the SET, and is reliable with sufficient disclosure. The committee also reviewed related party transactions for arms-length and adequate disclosure.
2. Considered and approved operation plans of the Compliance and Audit Department, and acknowledged the results of assessment of the adequacy of internal control systems and the compliance with regulatory requirements.
3. Reviewed the policies and practices on Anti-bribery and Corruption, and Whistle-blowing.
4. Considered the Self-Evaluation measures in Countering Bribery for the Company and its subsidiaries to renew the membership of Thailand's Private Sector Collective Action Coalition Against Corruption.
5. Participated as members of risk management committee.
6. Considered performance and independent of the external auditor, and the audit fee, and recommended the Board of Directors to propose to the shareholders to appoint the EY Office Limited as the external auditors for the year 2018.

The committee is of an opinion that management observe good corporate governance, the financial statements present fairly, in all material aspects, the financial position and the results of operations in compliance with generally accepted accounting principles with sufficient disclosure on related party transactions, and the company has established adequate internal control systems and risk management and has complied with regulatory requirements concerned.

(Dr. Virach Aphimeteetamrong)  
Chairman of the Audit Committee

23 January 2019

The background is a deep blue with soft, organic watercolor-like textures. A large, bright white circle is centered in the image, serving as a backdrop for the text. The text is in a white, serif, all-caps font.

BESPOKE

FINANCIAL

SOLUTIONS

# Independent Auditor's Report

To the Shareholders of Asia Plus Group Holdings Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Asia Plus Group Holdings Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2018, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Asia Plus Group Holdings Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asia Plus Group Holdings Public Company Limited and its subsidiaries and of Asia Plus Group Holdings Public Company Limited as at 31 December 2018, their financial performance and cash flows for the year 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 Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions 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.

## Emphasis of Matter

I draw attention to Note 6 to the financial statements, during the current year, the Company changed its accounting policy due to the adoption of TAS 27 *Separate Financial Statements* which elected to change the accounting policy for investments in subsidiaries in the separate financial statements to the equity method. The Company has restated the separate financial statements for the year ended 31 December 2017, presented herein as comparative information, to reflect the changes in the above accounting policy. The Company has also presented the separate statements of financial position as at 1 January 2017 as comparative information, using the newly adopted accounting policy for investments in subsidiaries. My opinion is not modified in respect of this matter.

## 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 respond for each matter are described below.

### *Recognition of revenue from brokerage fees from securities business*

The Group's revenue mainly consisted of brokerage fees from securities business. The subsidiary charges brokerage fees from securities business at percentages of trading volume, which are freely negotiated, and based on a sliding scale fee structure. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees from securities business relying primarily on data processed by information systems, I addressed the measurement and occurrence of brokerage fees from securities business as a key audit matter.

The audit procedures I performed were to assess and test, on a sampling basis, the subsidiary's internal controls relevant to recognition of revenue from brokerage fees from securities business, including computer-based controls relevant to the calculation of brokerage fees from securities business. I also tested, on a sampling basis, the brokerage rates, calculation and account recording. In addition, I performed analytical procedures on brokerage fees from securities business and examined, on a sampling basis, material manual adjustments recorded via journal vouchers.

### *Allowance for doubtful accounts for securities business receivables*

As discussed in Note 4.8 to the financial statements, the subsidiary's allowance for doubtful accounts for securities 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 subsidiary has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts for securities business receivables is significant because of the number of customers and the significance of the amount of the receivables to the Group's financial statements. Therefore, I addressed the adequacy of allowance for doubtful accounts for such receivables as a key audit matter.

I have performed audit procedures on the allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the subsidiary's internal controls relevant to the calculation of allowance for doubtful accounts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the subsidiary to the determination and calculation of the allowance, and compared the subsidiary's policy with regulatory requirements. Moreover, I tested certain controls, on a sampling basis, over the computer-based controls relevant to the status of account receivables, the calculation of the collateral value and the revaluation adjustments made to the fair values of collateral.
- I examined the allowance for doubtful accounts as at the period-end date by testing the completeness of the data used in the calculation of allowance for doubtful accounts, testing on a sampling basis the status of outstanding debts, the valuation of collateral items, collections of debt after the period-end date, the correctness of debt classification and the calculation of the allowance.

### *Impairment of other investments*

I have focused on the examination of adequacy of the allowance for impairment of other investments because impairment assessment on other investments is a significant accounting estimate requiring the management to exercise judgement to identify whether there are indicators of the impairment of such investments. In addition, the Company calculates the fair value of other investments using the Discounted Cash Flow method, which requires the management to exercise a high degree of judgement in estimating the cash inflows that are expected to be generated from the operations of the investee company in the future, and determination of discount rates and assumptions.

I have assessed the management's consideration regarding indicators of the impairment of other investments, and the financial models selected by management. In addition, I reviewed the information used in estimating the cash inflows that are expected to be generated in the future, the discount rates and assumptions applied by the management, and tested the calculation of the realisable values of the assets using the selected financial model.

## Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.



Rungrapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 27 February 2019



# Statement of Financial position

## Asia Plus Group Holdings Public Company Limited and its subsidiaries As at 31 December 2018

(Unit : Baht)

		Consolidated financial statements		Seperate financial statements		
		As at	As at	As at	As at	As at
	Note	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 January 2017
					(Restarted)	
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	7	1,147,982,867	405,625,313	145,989,220	58,925,125	38,382,727
Current investments	8	1,829,191,137	3,819,306,575	1,110,238,906	2,066,784,985	1,719,007,985
Securities purchased under resale agreements	9	-	627,784,219	-	-	-
Receivables from Clearing House and broker-dealers	10	117,240,133	837,212,412	-	-	-
Securities and derivatives business receivables	11	2,216,269,923	4,572,762,140	-	-	-
Accrued fees and service income from asset management business		44,241,364	46,843,749	-	-	-
Derivatives assets	12	19,233,941	20,988,899	2,707,727	8,894,381	1,910,456
Other receivables	13	107,779,825	57,229,777	239,518,023	366,988,596	681,834,486
Other current assets		36,545,199	30,308,264	17,602,984	13,242,190	28,718,508
<b>Total current assets</b>		<b>5,518,484,389</b>	<b>10,418,061,348</b>	<b>1,516,056,860</b>	<b>2,514,835,277</b>	<b>2,469,854,162</b>
<b>Non-current assets</b>						
Investments in subsidiaries	14	-	-	5,109,443,584	4,960,609,546	4,987,656,535
Other long-term investments	8	489,285,889	515,366,850	488,966,159	515,303,920	464,613,174
Investment properties	15	-	-	95,633,073	104,438,070	113,231,404
Property, plant and equipment	16	157,010,398	189,428,433	18,451,781	17,244,608	22,164,599
Intangible assets	17	23,726,076	27,407,043	3,805,239	4,915,624	4,646,309
Deferred tax assets	18	52,648,083	25,950,505	16,357,972	11,843,041	22,270,361
Other non-current assets	19	150,771,043	114,720,537	35,656,525	9,497,800	11,525,532
<b>Total non-current assets</b>		<b>873,441,489</b>	<b>872,873,368</b>	<b>5,768,314,333</b>	<b>5,623,852,609</b>	<b>5,626,107,914</b>
<b>Total assets</b>		<b>6,391,925,878</b>	<b>11,290,934,716</b>	<b>7,284,371,193</b>	<b>8,138,687,886</b>	<b>8,095,962,076</b>

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

# Statement of financial position (continued)

Asia Plus Group Holdings Public Company Limited and its subsidiaries

As at 31 December 2018

(Unit : Baht)

		Consolidated financial statements		Seperate financial statements		
		As at	As at	As at	As at	As at
Note		31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 January 2017
(Restarted)						
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term borrowings from financial institutions	20	-	2,450,000,000	-	-	-
Securities sold under repurchase agreements	21	-	627,702,972	-	-	-
Payables to Clearing House and broker-dealers	22	158,596,554	70,068,465	-	-	-
Securities and derivatives business payables	23	506,112,603	1,601,164,591	-	-	-
Accrued fees and service expenses from						
asset management business		15,586,701	25,467,310	-	-	-
Derivatives liabilities	12	21,936,518	109,620,016	-	1,747,915	3,837,024
Other payables	24	302,739,839	405,831,171	109,619,630	277,335,932	209,588,355
Short-term borrowings	20	549,150,097	931,218,721	2,504,221,897	2,984,249,045	3,094,820,019
Income tax payable		50,434,228	72,248,606	-	-	-
Other current liabilities		17,178,509	22,332,155	2,542,717	2,335,617	1,858,199
<b>Total current liabilities</b>		<b>1,621,735,049</b>	<b>6,315,654,007</b>	<b>2,616,384,244</b>	<b>3,265,668,509</b>	<b>3,310,103,597</b>
<b>Non-current liabilities</b>						
Provision for long-term employee benefits	25	132,783,555	126,119,021	30,579,281	30,288,254	25,422,172
Other non-current liabilities		11,356,370	17,772,446	11,356,764	11,341,881	11,378,713
<b>Total non-current liabilities</b>		<b>144,139,925</b>	<b>143,891,467</b>	<b>41,936,045</b>	<b>41,630,135</b>	<b>36,800,885</b>
<b>Total liabilities</b>		<b>1,765,874,974</b>	<b>6,459,545,474</b>	<b>2,658,320,289</b>	<b>3,307,298,644</b>	<b>3,346,904,482</b>
<b>Shareholders' equity</b>						
Share capital						
Registered						
2,521,945,020 ordinary shares of Baht 1 each		2,521,945,020	2,521,945,020	2,521,945,020	2,521,945,020	2,521,945,020
Issued and fully paid-up						
2,105,656,044 ordinary shares of Baht 1 each		2,105,656,044	2,105,656,044	2,105,656,044	2,105,656,044	2,105,656,044
Premium on ordinary shares		1,139,183,677	1,139,183,677	1,139,183,677	1,139,183,677	1,139,183,677
Retained earnings						
Appropriated - statutory reserve	26	252,194,502	252,194,502	252,194,502	252,194,502	252,194,502
Unappropriated		1,099,614,737	1,297,111,422	1,099,614,737	1,297,111,422	1,222,068,176
Other components of shareholders' equity	8.6	29,401,944	37,243,597	29,401,944	37,243,597	29,955,195
<b>Total shareholders' equity</b>		<b>4,626,050,904</b>	<b>4,831,389,242</b>	<b>4,626,050,904</b>	<b>4,831,389,242</b>	<b>4,749,057,594</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,391,925,878</b>	<b>11,290,934,716</b>	<b>7,284,371,193</b>	<b>8,138,687,886</b>	<b>8,095,962,076</b>

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

# Statement of comprehensive income

Asia Plus Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit : Baht)

(Restarted)

		Consolidated financial statements		Seperate financial statements	
	Note	2018	2017	2018	2017
(Restarted)					
Profit or loss:					
Revenues					
Brokerage fees	27	872,105,918	1,017,018,333	-	-
Fees and service income	28	838,243,031	716,540,506	-	-
Interest on margin loans		120,351,180	143,439,930	-	-
Gain on securities		-	427,849,063	-	124,950,732
Gain on derivatives		205,025,560	42,995,931	3,732,838	28,224,099
Interest and dividend income		219,700,993	197,737,679	85,182,844	94,099,963
Other income		15,622,071	8,976,649	270,029,804	218,111,112
Total revenues		2,271,048,753	2,554,558,091	358,945,486	465,385,906
Expenses					
Employee benefits expenses		987,307,071	1,023,132,247	232,165,325	277,194,995
Depreciation and amortisation		54,371,421	54,037,017	17,639,249	16,834,447
Fee and service expenses		170,890,956	154,481,904	3,204,918	3,074,966
Finance costs		95,453,300	89,663,804	51,375,050	58,836,053
Allowance of doubtful accounts (reversal)	11.3	11,456,101	(5,626,898)	(1,029,540)	(5,595,898)
Loss on securities		23,337,325	-	6,063,834	-
Loss on impairment of investments	8.2	84,962,565	139,833	6,011,328	-
Other expenses		300,449,344	309,216,257	60,803,722	69,722,702
Total expenses		1,728,228,083	1,625,044,164	376,233,886	420,067,265
Profit (loss) before share of profit from investment in subsidiaries		542,820,670	929,513,927	(17,288,400)	45,318,641
Share of profit from investments in subsidiaries	14.2	-	-	448,934,011	705,930,808
Profit before income tax		542,820,670	929,513,927	431,645,611	751,249,449
Tax income (expenses)	18	(108,620,542)	(187,947,704)	2,554,517	(9,683,226)
Profit for the year		434,200,128	741,566,223	434,200,128	741,566,223

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

# Statement of comprehensive income (continued)

Asia Plus Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit : Baht)

(Restarted)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
(Restarted)					
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale securities	8.7	(9,802,066)	9,110,503	(9,802,066)	9,110,503
Less: Income tax effect	8.7, 18.3	1,960,413	(1,822,101)	1,960,413	(1,822,101)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(7,841,653)	7,288,402	(7,841,653)	7,288,402
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial losses on defined benefit plan	25	-	(19,112,359)	-	(5,390,031)
Less: Income tax effect	18.3	-	3,822,472	-	1,078,006
Share of other comprehensive income of subsidiaries	14.2	-	-	-	(13,722,328)
Less: Income tax effect		-	-	-	2,744,466
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net income tax		-	(15,289,887)	-	(15,289,887)
<b>Total other comprehensive income for the year</b>		(7,841,653)	(8,001,485)	(7,841,653)	(8,001,485)
<b>Total comprehensive income for the year</b>		426,358,475	733,564,738	426,358,475	733,564,738
<b>Earnings per share</b>					
29					
Basic earnings per share					
Profit for the year		0.21	0.35	0.21	0.35

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

## Statement of changes in shareholders' equity

Asia Plus Group Holdings Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

(Unit : Baht)

	Consolidated financial statements							total
	Issued and paid-up share capital	Additional paid-in capital	Retained earnings		Other Component of shareholders' equity	Gain on change in value of available-for-sale securities		
			Appropriated-statutory reserve	Unappropriated				
<b>Balance as at 1 January 2017</b>	2,105,656,044	1,139,183,677	252,194,502	1,222,068,176	29,955,195		4,749,057,594	
Profit for the year	-	-	-	741,566,223	-		741,566,223	
Other comprehensive income for the year	-	-	-	(15,289,887)	7,288,402		(8,001,485)	
Total comprehensive income for the year	-	-	-	726,276,336	7,288,402		733,564,738	
Dividend paid	-	-	-	(651,233,090)	-		(651,233,090)	
<b>Balance as at 31 December 2017</b>	2,105,656,044	1,139,183,677	252,194,502	1,297,111,422	37,243,597		4,831,389,242	
<b>Balance as at 1 January 2018</b>	2,105,656,044	1,139,183,677	252,194,502	1,297,111,422	37,243,597		4,831,389,242	
Profit for the year	-	-	-	434,200,128	-		434,200,128	
Other comprehensive income for the year	-	-	-	-	(7,841,653)		(7,841,653)	
Total comprehensive income for the year	-	-	-	434,200,128	(7,841,653)		426,358,475	
Dividend paid	-	-	-	(631,696,813)	-		(631,696,813)	
<b>Balance as at 31 December 2018</b>	2,105,656,044	1,139,183,677	252,194,502	1,099,614,737	29,401,944		4,626,050,904	

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





## Cash flow statement

Asia Plus Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit : Baht)

	Consolidated financial statements		Seperate financial statements	
	2018	2017	2018	2017
				(Restarted)
<b>Cash flows from operating activities</b>				
Profit before income tax	542,820,670	929,513,927	431,645,611	751,249,449
Adjustments to reconcile profit before income tax				
to net cash provided by (paid for) operating activities: -				
Depreciation and amortisation	54,371,421	54,037,017	17,639,249	16,834,447
Allowance of doubtful accounts (reversal)	11,456,101	(5,626,898)	(1,029,540)	(5,595,898)
Loss from reclassification of investments	-	484,141	-	484,141
Loss (gain) from changing in fair value of derivatives assets	(672,029)	(10,651,128)	3,173,619	(4,133,127)
Loss (gain) from changing in fair value of derivatives liabilities	5,568,462	(1,622,081)	(1,747,916)	(2,089,109)
Gain from disposal of available-for-sale securities	(2,379,355)	(15,548,330)	(2,379,355)	(15,548,330)
Gain from held-to-maturity debt securities	(392,250)	-	(392,250)	-
Loss (gain) from changing in fair value of trading securities	208,052,712	(75,135,916)	172,162,835	(65,352,309)
Loss (gain) from changing in fair value of borrowing securities	(7,850,883)	4,608,032	-	-
Gain on disposal of property, plant and equipment	(1,246,250)	(2,007,844)	(853,052)	(934)
Loss on write-off of equipment	133,487	29,917	128,398	728
Loss on impairment of investments	84,962,565	139,833	6,011,328	-
Long-term employee benefit expenses (reversal)	15,847,729	(1,016,380)	4,701,027	(523,949)
Gain from disposal of held-to-maturity debt securities	338,882	-	338,882	-
Gain from disposal of other investments	(137,952,254)	(413,057)	(137,952,254)	(413,057)
Share of profit from investments in subsidiaries	-	-	(448,934,011)	(705,930,808)
Unrealised loss (gain) on exchange	(2,181,230)	3,364,480	(2,181,230)	3,364,480
Interest and dividend income	(219,700,993)	(197,737,679)	(85,182,844)	(94,099,963)
Interest on margin loans	(120,351,180)	(143,439,930)	-	-
Finance costs	95,453,300	89,663,804	51,375,050	58,836,053
Profit (loss) from operating activities before changes in operating assets and liabilities	526,278,905	628,641,908	6,523,547	(62,918,186)
Decrease (increase) in operating assets				
Current investments - deposits at financial institutions	40,000,000	(110,000,000)	-	-
Investments in trading securities	1,554,769,469	(576,829,791)	597,089,987	(400,338,164)
Securities purchased under resale agreements	627,784,219	15,507,949	-	-
Receivables from Clearing House and broker-dealers	719,972,279	(269,873,520)	-	-
Securities and derivatives business receivables	2,477,872,937	(242,189,921)	-	-
Accrued fees and service income from asset management busine	2,602,385	(14,911,622)	-	-
Derivatives assets	2,426,987	(3,359,615)	3,013,036	(3,013,036)
Other assets	(85,008,418)	(13,771,132)	108,221,337	(132,163,528)

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

## Cash flow statement (continued)

Asia Plus Group Holdings Public Company Limited and its subsidiaries  
For the year ended 31 December 2018

(Unit : Baht)

	Consolidated financial statements		Seperate financial statements	
	2018	2017	2018	2017
				(Restarted)
Increase (decrease) in operating liabilities				
Securities sold under repurchase agreements	(627,702,972)	(15,563,307)	-	-
Payables to Clearing House and broker-dealers	88,528,089	1,651,388	-	-
Securities and derivatives business payables	(1,087,201,238)	(189,399,407)	-	-
Accrued fees and service expenses from asset management business	(9,880,610)	20,254,164	-	-
Derivatives liabilities	(93,251,959)	44,319	-	-
Other payables	(102,962,301)	52,020,209	(167,716,302)	67,753,924
Paid for long-term employee benefits	(9,183,195)	(16,448,010)	(4,410,000)	-
Other liabilities	(13,519,368)	3,321,099	221,983	440,586
Cash flows from (used in) operating activities	4,011,525,209	(730,905,289)	542,943,588	(530,238,404)
Cash received from interest and dividend	156,549,759	138,434,099	32,105,580	36,464,963
Cash paid for interest expenses	(71,876,490)	(78,622,099)	(30,153,122)	(47,073,809)
Cash paid for income tax	(161,592,798)	(233,136,935)	(8,370,359)	(7,028,919)
<b>Net cash flows from (used in) operating activities</b>	<b>3,934,605,680</b>	<b>(904,230,224)</b>	<b>536,525,687</b>	<b>(547,876,169)</b>
<b>Cash flows from investing activities</b>				
Cash paid for purchase of available-for-sale securities	(100,000,000)	(80,300,000)	(100,000,000)	(80,300,000)
Cash received from disposal of available-for-sale securities	132,293,958	290,951,190	132,293,958	290,951,190
Cash paid for purchase of held-to-maturity debt securities	(1,516,316,590)	(1,665,581,949)	(1,437,365,354)	(1,665,581,949)
Cash received from held-to-maturity debt securities	1,296,332,418	1,098,107,680	1,296,332,418	998,402,631
Cash paid for purchase of other investments	(9,175,850)	(54,138,005)	(8,919,050)	(54,138,005)
Cash received from disposal of other investments	174,092,630	4,992,000	174,092,630	4,992,000
Cash received from dividend from subsidiaries	-	-	300,099,972	1,197,079,912
Cash received from dividend of long-term investments	4,906,375	2,491,131	4,906,375	2,491,131
Cash received from interest on investments in debt securities	42,128,091	41,522,183	42,128,091	41,522,183
Cash received from disposal of held-to-maturity debt securities	288,121,650	609,962,361	288,121,650	609,962,361
Cash paid for acquisition of property, plant and equipment and intangible assets	(22,619,580)	(32,327,010)	(13,270,069)	(3,397,514)
Cash received from disposal of property, plant and equipment and intangible assets	5,459,917	2,837,769	5,063,676	935
<b>Net cash flows from investing activities</b>	<b>295,223,019</b>	<b>218,517,350</b>	<b>683,484,297</b>	<b>1,341,984,875</b>

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

## Cash flow statement (continued)

Asia Plus Group Holdings Public Company Limited and its subsidiaries

For the year ended 31 December 2018

(Unit : Baht)

	Consolidated financial statements		Seperate financial statements	
	2018	2017	2018	2017
				(Restarted)
<b>Cash flows from financing activities</b>				
Cash received from borrowing from financial institutions	34,905,007,685	46,120,000,000	-	-
Cash paid for repayment of loans from financial institutions	(37,355,007,685)	(45,075,000,000)	-	-
Cash received (paid) from short-term borrowings	(405,774,332)	450,411,327	(501,249,076)	(122,333,218)
Dividend paid	(631,696,813)	(651,233,090)	(631,696,813)	(651,233,090)
<b>Net cash flows from (used in) financing activities</b>	<b>(3,487,471,145)</b>	<b>844,178,237</b>	<b>(1,132,945,889)</b>	<b>(773,566,308)</b>
<b>Net increase in cash and cash equivalents</b>	<b>742,357,554</b>	<b>158,465,363</b>	<b>87,064,095</b>	<b>20,542,398</b>
Cash and cash equivalents at beginning of the year	405,625,313	247,159,950	58,925,125	38,382,727
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>1,147,982,867</b>	<b>405,625,313</b>	<b>145,989,220</b>	<b>58,925,125</b>

### Supplemental cash flows information

#### Non-cash items

Increase (decrease) in gain from changing in fair value of

available-for-sale securities

(9,802,066)

9,110,503

(9,802,066)

9,110,503

Transfer of trading securities to available-for-sale securities

-

109,354,141

-

109,354,141

Actuarial losses on defined benefit plan

-

19,112,359

-

5,390,031

Dividend receivables

289,329

67,341

199,590

11,871

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

# Notes to consolidated financial statements

## Asia Plus Group Holdings Public Company Limited and its subsidiaries For the year ended 31 December 2018

### 1. General information

#### 1.1 Information of the Company

- a) Asia Plus Group Holdings Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the investing. Its registered address is at No. 175, 3/1 Floor, Sathorn City Tower, South Sathorn Road, Thungmahamek, Sathorn, Bangkok.
- b) The Annual General Meeting of the Company's shareholders, held on 1 April 2008, passed a resolution to approve to issue and offer of up to Baht 1,000 million or the equivalent in other currencies of debentures and/or structured notes and/or other types of debentures, in order to enable the Company to engage in new business that provides income generating opportunities.

In addition, the Extraordinary General Meeting of the Company's shareholders No. 1/2010 held on 19 November 2010 passed a resolution to approve the increase in the limit of the issuance and the offering of the Company's debentures and/or structured notes and/or other types of debentures in order to facilitate the expansion in new business areas. The total value offered will not exceed Baht 3,000 million or equivalent in any other foreign currencies, offering for sale in Thailand and/or overseas to general public and/or specific investors and/or institutional investors in accordance with the Notification of the Securities and Exchange Commission all of which may be issued and offered for sale within one time or several times as the Company may deem appropriate.

#### 1.2 Information of the subsidiaries

##### *Asia Plus Securities Company Limited*

On 28 January 2015, the Ministry of Finance granted securities business license under type Kor securities license to Asia Plus Securities Company Limited. In accordance with this license, the subsidiary is allowed to undertake several securities business activities as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Underwriting
5. Securities borrowing and lending
6. Private fund management
7. Mutual fund management
8. Venture capital management

At present, the subsidiary has operated the business activities in No. 1, No. 2, No. 3, No. 4 and No. 5.

On 13 February 2015, the Office of the Securities and Exchange Commission granted derivatives businesses under type Sor-1 derivatives license to Asia Plus Securities Company Limited. In accordance with this license, the subsidiary is allowed to undertake several derivatives business activities as follows:

1. Derivatives broker
2. Derivatives dealer
3. Derivatives advisor
4. Derivatives fund manager

At present, the subsidiary has operated the business activities in No. 1 and No. 2.

On 6 May 2015, the Office of the Securities and Exchange Commission has permitted Asia Plus Securities Company Limited, the subsidiary, to operate as a financial advisor for a period of 5 years from 6 May 2015 to 5 May 2020.

On 22 September 2017, the Office of Securities and Exchange Commission has permitted Asia Plus Securities Company Limited, the subsidiary, to operate as a bond representative.

As at 31 December 2018, the subsidiary has 17 branches in total (2017: 17 branches).

#### *Asset Plus Fund Management Company Limited*

Asset Plus Fund Management Company Limited which is the subsidiary operates its business in Thailand and undertakes securities business licenses as follows:

1. Mutual fund management
2. Private fund management
3. Limited Broker Dealer Underwriter
4. Derivatives fund manager

#### *Asia Plus Advisory Company Limited*

Asia Plus Advisory Company Limited is a subsidiary of the Company, domiciled in Thailand, and is principally engaged in the provision of financial advisory services. The Office of the Securities and Exchange Commission has permitted this company to operate as a financial advisor for 5 years from 25 June 2018 to 24 June 2023.

## **2. Basis for preparation**

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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 such financial statements in Thai language.

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

### **2.2 Basis of consolidation**

- a) The consolidated financial statements include the financial statements of Asia Plus Group Holdings Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") as follows:

(Unit: Percent)

Company's name	Nature of business	Country of incorporate	Percentage of shares held by the Company	
			2018	2017
Asset Plus Fund Management Co., Ltd.	Fund management	Thai	100	100
Asia Plus Advisory Co., Ltd.	Financial advisory	Thai	100	100
Asia Plus Securities Co., Ltd.	Securities business	Thai	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date that when such control ceases.

- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material outstanding balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the equity method.

### 3. New financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### (b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

#### TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

#### (c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:



Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## 4. Significant accounting policies

### 4.1 Revenue and expense recognition

(a) Brokerage fees

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

(b) Fees and services income

Fee and services income are recognised when services have been rendered taken into account to the stage of completion.

Management fees and registrar fees are calculated as a percentage of the net assets of the funds managed by the subsidiary and recognised as income when services have been rendered.

(c) Interest on margin loans

Interest income is recognised as interest accrues based on the effective rate method. Except there is uncertainty as to the collectability of loans and interest, the Company and its subsidiary cease accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Loans are not fully covered with collateral.
- (2) Installment loans with repayments scheduled no more than 3 months for each installment, which principal or interest is overdue more than 3 months.
- (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that full repayment is recovered.
- (4) Problem financial institution debtors.
- (5) Other receivables of which interest payment is overdue 3 months or more.

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

(d) Gain (loss) on securities trading

Gain (loss) on trading in securities is recognised as income or expense on the transaction dates.

(e) Gain (loss) on derivatives trading

Gain (loss) on trading in derivatives is recognised as income or expense on the transaction dates.

(f) Interest and dividend on investments

Interest on investments is recognised as interest accrued based on the effective rate method. Dividend from investments is recognised when the right to receive the dividends is established.

(g) Expenses

Fee and service expenses and operating expenses are recognised on an accrual basis.

## 4.2 Interest on borrowings

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

## 4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, all bank deposit accounts with an original maturity less than 3 months and not subject to withdrawal restrictions, promissory notes at call and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

## 4.4 Recognition and amortisation of customers assets

Cash received from customers of cash accounts, credit balance accounts and derivatives trading are recorded as assets and liabilities of the subsidiary for the internal control purposes. At the end of the reporting period, the subsidiary excludes these amounts from both assets and liabilities and presents only the assets which belong to the subsidiary.

## 4.5 Securities borrowing and lending

The subsidiary records its obligations to return borrowed securities which it has been sold as short selling or lent as “Securities borrowing and lending payables” and securities lent to customers are recorded as “Securities borrowing and lending receivables” in the statement of financial position. At the end of the reporting period, the balance of “Securities borrowing and lending payables” and “Securities borrowing and lending receivables” are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand of the last working day of the year. Gains or losses arising from such adjustment are included in part of profit or loss in the statement of comprehensive income. In addition, the subsidiary records cash paid as collateral for securities borrowing as “Collateral receivables” and cash received as collateral for securities lending as “Collateral payables”.

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

## 4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these 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 in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments both due within one year and expected to be held to maturity, which consist of deposits at financial institutions and 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. Deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with a maturity of more than 3 months or with a maturity of 3 months or less, but the Company and its subsidiaries intend to maintain these investments in the same form, and deposit subject to restriction.
- d) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for loss on impairment (if any).
- e) Investments in subsidiaries are accounted for in the separate financial statements using the equity method.

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

Loss on impairment (if any) of investments in available-for-sale securities, held-to-maturity investments, other investments and investments in subsidiaries are included in profit or loss.

The weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiary reclassify 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 components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.7 Receivables from Clearing House and broker - dealers**

Receivables from Clearing House and broker - dealers comprises the net receivable from Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net receivables from TCH from derivatives trades made through the Thailand Futures Exchange, including cash collateral pledged with TCH for derivatives trade, and net receivable from foreign securities trade settlement with the overseas brokers.

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

Securities and derivatives business receivables are the net balances of securities business receivables and derivatives business receivables after deducting allowance for doubtful accounts.

In addition, securities business receivables include the net receivable balance of cash accounts, credit balance accounts, securities borrowings and lending receivables, collateral receivables (which comprise cash pledged as security with securities lenders), securities sold under repurchase agreements receivables and other receivables such as overdue cash accounts and securities receivables which are the subject of legal proceedings, are undergoing restructuring or are being settled in installments.

The Company and its subsidiary have provided an allowance for doubtful accounts based on a review of debtors' repayment capability, taking into consideration the risk of recovery and the value of collateral. An allowance will be set aside for doubtful debts that their collateral are not fully covered and/or debtors cannot be recovered in full. Such debt classifications and allowance are made in accordance with the following criteria:

- a) Debt classified as bad debt is defined as follows:
  - (1) Debts which the Company and its subsidiary have made effort to follow up, but could not collect the repayment. The Company and its subsidiary have written them off in accordance with tax law.
  - (2) Debts which the Company and its subsidiary have forgiven them.
- b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
  - (1) Debtors in general, problem financial institution loans, and other debtors which the collateral value is less than the debts.
  - (2) Installment loans with repayments scheduled no more than 3 months for each installment, which the principal or interest is overdue more than 3 months.
  - (3) Installment loans with repayments scheduled no less than 3 months for each installment, unless there is a clear evidence and high degree of certainty that the full payment is recovered.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Debt classified as bad debt will be written off when identified. Full allowance of the debt balance will be set aside for debt classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

#### 4.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties are calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

Office building	30	Years
Building - branch	20	Years

No depreciation provided on ownership of office space and land for rent.

Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### 4.10 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Office building	30	Years
Building - branch	20	Years
Furniture and fixtures	5	Years
Office equipment	5	Years
Motor vehicles	5	Years

Depreciation is included in determining income.

No depreciation provided on land and assets under installation.

An item of property, plant 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 is included in profit or loss when the asset is derecognised.

#### 4.11 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (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 assets 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.

Amortisation of intangible assets are calculated by reference to their cost on straight-line basis over the following estimated useful lives:

Golf membership	10	Years
Software	5	Years
Futures Exchange membership	5	Years
Securities business license fee		
Underwriting	5	Years
Mutual fund management	5	Years
Private fund management	5	Years

#### 4.12 Impairment of assets

At the end of each reporting year, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and intangible 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.

An impairment loss is recognised in profit or loss.

#### 4.13 Securities purchased under resale agreements/Securities sold under repurchase agreements

The Company and its subsidiary enter into purchase of securities under agreements to resale securities at certain dates in the future at a fixed price. Securities purchased under resale agreements presented as assets in the statements of financial position are stated at amounts paid for the purchase of those securities.

The difference between the purchase and sale considerations is recognised on an accrual basis over the period of the transaction and is included in interest income.

The Company and its subsidiary enter into sales of securities under agreements to repurchase securities at certain dates in the future at a fixed price. Securities sold under repurchase agreements presented as liabilities in the statements of financial position are stated at amounts received from the sale of those securities.

The difference between the sale and purchase considerations is recognised on an accrual basis over the period of the transaction and is included in finance costs.

#### 4.14 Payables to Clearing House and broker - dealers

Payables to Clearing House and broker - dealers comprises the net payable to Thailand Clearing House (TCH) for settlement of equity securities trades made through the Stock Exchange of Thailand, net payable for derivatives trade made through the Thailand Futures Exchange, and net payable to foreign securities trade settlement with overseas brokers.

#### 4.15 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the subsidiary in respect of their 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 subsidiary as collateral for securities lending.

#### 4.16 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received. Borrowing are subsequently stated at amortised cost, using the effective yield method; any difference between proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings.

#### 4.17 Structured notes

The Company's and its subsidiary's structured notes are offered to customers or business associates of the Company and its subsidiary, who are institutional investors or high net worth investors, through private placements. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission, and the underlying assets are securities listed on the Stock Exchange of Thailand.

The notes are recorded at amortised cost, adjusted by the discount on the notes. The discount is amortised by the effective rate method with the amortised amount presented as finance costs in profit or loss.

Embedded derivatives are recorded as derivatives assets/liabilities at fair value and the changes in fair value are recorded in profit or loss. In determining the fair value, the Company and its subsidiary use a valuation technique and theoretical model. The input to the model is derived from observable market and conditions that include liquidity, dividend, interest rate, underlying price and volatility of underlying asset.

#### 4.18 Long-term leases

Leases of property, plant and equipment of which substantial risks and rewards of ownership are not transferred to lessee

are classified as operating leases.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **4.19 Related party transactions**

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

They also include associated companies and individuals or enterprises 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 authority in the planning and direction of the Company's operations.

#### **4.20 Provisions**

Provisions are recognised when the Company and its subsidiaries have 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 Foreign currency**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Exchange gains and losses are included in determining income.

#### **4.22 Financial derivatives**

##### **Futures contracts**

Obligation under derivatives business which the Company and its subsidiary enter into for trading purpose is regarded as the Company's and its subsidiary's commitments. Gains or losses from changes in the fair value of derivatives are included in profit or loss. The fair value of derivatives is based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

##### **Option contracts**

The subsidiary recorded the premium paid (long position) and the premium received (short position) under options contracts as at trade date as derivatives assets and derivatives liabilities, respectively. Gains or losses from changes in the fair value of the premium under option contracts are included in profit or loss. Fair value is determined based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.

##### **Forward contracts**

Forward contracts are recorded at fair value. Unrealised gains or losses on revaluation are included in determining income.

##### **Derivative warrants**

Derivative warrants which are issued by the subsidiary are recorded as liabilities items and the changes in fair value are recorded in profit or loss. The fair value of derivative warrants is based on the latest offer price of the last working day of the year as quoted on the Stock Exchange of Thailand.

#### **4.23 Employee benefits**

##### ***Short-term employee benefits***

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



### *Post-employment benefits*

#### *Defined contribution plans*

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

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat 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.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment, or curtailment and the date that the Company recognises restructuring-related costs.

## **4.24 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.

## **4.25 Income tax**

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

### *Current tax*

Current income 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 legislation.

### *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 and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce 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 and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **4.26 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 and its subsidiaries apply 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 and its subsidiaries measure 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 categorised within the fair value hierarchy into three levels based on categorise 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 and its subsidiaries determine 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.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Impairment of investments

The Company and its subsidiary treat available-for-sale equity investments, held-to-maturity investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

In addition, when the indicator of impairment exists the management is required to review investments for impairment and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of their recoverable amount relating to the investments subject to the review.

### Allowance for doubtful accounts for securities and derivatives 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 regulations of the Office of the Securities and Exchange Commission 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.

### 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.

### Property plant and equipment/Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s and its subsidiaries’ building and equipment and to review estimate residual lives and salvage values when there are any changes.

In addition, the management is required to review property, plant 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.

### Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount

rate in order to calculate the present value of those cash flows.

#### Post employee 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, mortality rate and staff turnover rate.

#### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be 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.

#### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position 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 recognised in the statement of financial position and disclosures of fair value hierarchy.

#### Litigation

The subsidiary has contingent liabilities as a result of litigation. The management has exercised judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. Cumulative effect of change in accounting policy in relation to the recording of investments in subsidiaries in the separate financial statements

During the current year, the Company has changed its accounting policy in relation to the recording of investments in subsidiaries in the separate financial statements from the cost method to the equity method in order to make the Company's separate financial statements provide more relevant information, according to the management's consideration. The Company has decided to change this accounting policy since 1 January 2018. The Company adjusted the transaction retrospectively as if recording investments in subsidiaries by using the equity method had always been applied. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2018	31 December 2017	1 January 2017
<b>Statements of financial position</b>			
Increase in investments in subsidiaries	396,737	247,903	274,950
Increase in unappropriated retained earnings	396,737	247,903	274,950

(Unit: Thousand Baht)

**Separate financial statements****Statements of comprehensive income****Profit or loss:**

Increase in share of profit from investments in subsidiaries	448,934	705,931
Decrease in dividend income	(300,100)	(722,000)
Increase (decrease) in profit for the year	148,834	(16,069)

**Other comprehensive income**

Decrease in share of other comprehensive income of subsidiaries	-	(10,978)
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**Earnings per share (Baht):**

Increase (decrease) in basic earnings per share	0.07	(0.01)
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**7. Cash and cash equivalents**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Cash on hand	493	473	40	40
Short-term deposits and notes receivables with maturity within three months	2,616,062	3,813,207	151,696	64,369
Less: Deposits and notes receivables of customers' account of the Company and the subsidiary	(1,468,572)	(3,408,055)	(5,747)	(5,484)
Total	1,147,983	405,625	145,989	58,925

## 8. Investments

### 8.1 Cost and fair value

(Unit: Thousand Baht)

	Consolidated financial statements			
	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<i>Trading securities</i>				
Equity securities				
Listed securities - local	832,749	779,761	2,012,341	2,017,540
Listed securities - overseas	353,315	305,142	646,493	747,009
Add (less): Changes in fair value of securities	(101,161)	-	105,715	-
Equity securities - net	1,084,903	1,084,903	2,764,549	2,764,549
Debt securities				
Private sector debt securities	-	-	82,000	83,177
Add: Changes in fair value of securities	-	-	1,177	-
Debt securities - net	-	-	83,177	83,177
Total trading securities - net	1,084,903	1,084,903	2,847,726	2,847,726
<i>Available-for-sale securities</i>				
Equity securities				
Listed securities	58,565	59,570	88,970	92,850
Unit trusts - local	30,300	25,578	65,425	71,215
Add (less): Changes in fair value of securities	(3,717)	-	9,670	-
Equity securities - net	85,148	85,148	164,065	164,065
Debt securities				
Private sector debt securities	339,000	342,582	299,000	310,277
Add: Changes in fair value of securities	3,582	-	11,277	-
Total debt securities - net	342,582	342,582	310,277	310,277
Total available-for-sale securities - net	427,730	427,730	474,342	474,342
<i>Held-to-maturity investments</i>				
Fixed deposits with maturity over 3 months				
but less than 1 year	2,824,000	2,824,000	2,064,000	2,064,000
Foreign debt securities	64,521	64,521	185,333	185,333
Convertible bond	9,480	9,480	-	-
Bills of exchange	198,951	118,557	150,000	147,906
Government bond	1,900,000	1,896,587	400,000	398,734
Less: Accumulated amortisation	(4,934)	-	(3,554)	-
Allowance for loss on impairment	(78,951)	-	-	-
Investments of customers' account				
of the subsidiary	(4,596,509)	(4,596,587)	(2,298,540)	(2,298,734)
Total held-to-maturity investments - net	316,558	316,558	497,239	497,239
<b>Total current investments</b>	<b>1,829,191</b>	<b>1,829,191</b>	<b>3,819,307</b>	<b>3,819,307</b>

(Unit: Thousand Baht)

## Consolidated financial statements

	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Long-term investments</b>				
<i>Available-for-sale securities</i>				
Equity securities				
Unit trusts	91,146	128,034	4,925	30,532
Add: Changes in fair value of securities	36,888	-	25,607	-
Equity securities - net	128,034	128,034	30,532	30,532
Total available-for-sale securities - net	128,034	128,034	30,532	30,532
<i>Other investments</i>				
Equity securities	367,913		485,484	
Less: Allowance for loss on impairment	(6,661)		(649)	
Total other investments - net	361,252		484,835	
<b>Total long-term investments - net</b>	<b>489,286</b>		<b>515,367</b>	
<b>Total investments - net</b>	<b>2,318,477</b>		<b>4,334,674</b>	

(Unit: Thousand Baht)

## Separate financial statements

	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Current investments</b>				
<i>Trading securities</i>				
Equity securities				
Listed securities - local	209,096	184,809	513,008	512,195
Listed securities - overseas	353,315	305,142	646,493	747,009
Add (less): Changes in fair value of securities	(72,460)	-	99,703	-
Equity securities - net	489,951	489,951	1,259,204	1,259,204
Total trading securities - net	489,951	489,951	1,259,204	1,259,204
<i>Available-for-sale securities</i>				
Equity securities				
Listed securities	58,565	59,570	88,970	92,850
Unit trusts - local	30,300	25,578	65,425	71,215
Add (less): Changes in fair value of securities	(3,717)	-	9,670	-
Equity securities - net	85,148	85,148	164,065	164,065
Debt securities				
Private sector debt securities	339,000	342,582	299,000	310,277
Add: Changes in fair value of securities	3,582	-	11,277	-
Debt securities - net	342,582	342,582	310,277	310,277
Total available-for-sale securities - net	427,730	427,730	474,342	474,342



(Unit: Thousand Baht)

	Separate financial statements			
	2018		2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<i>Held-to-maturity investments</i>				
Foreign debt securities	64,521	64,521	185,333	185,333
Convertible bond	9,480	9,480	-	-
Bills of exchange	120,000	118,557	150,000	147,906
Less: Accumulated amortisation	(1,443)	-	(2,094)	-
Total held-to-maturity investments - net	192,558	192,558	333,239	333,239
<b>Total current investments</b>	<b>1,110,239</b>	<b>1,110,239</b>	<b>2,066,785</b>	<b>2,066,785</b>
<i>Long-term investments</i>				
<i>Available-for-sale securities</i>				
Equity securities				
Unit trusts	91,146	128,034	4,925	30,532
Add: Changes in fair value of securities	36,888	-	25,607	-
Equity securities - net	128,034	128,034	30,532	30,532
Total available-for-sale securities - net	128,034	128,034	30,532	30,532
<i>Other investments</i>				
Equity securities	367,453		485,281	
Less: Allowance for loss on impairment	(6,521)		(509)	
Total other investments - net	360,932		484,772	
<b>Total long-term investments - net</b>	<b>488,966</b>		<b>515,304</b>	
<b>Total investments - net</b>	<b>1,599,205</b>		<b>2,582,089</b>	

- 8.2 In August 2018, a subsidiary of the Company purchased bills of exchange from non-related companies totalling Baht 79 million. Subsequently, these issuers have defaulted on principal repayment. As a result, the subsidiary's management considered setting up a provision for impairment of these investments in full. In addition, during the year 2018, the Company's management considered setting up a provision for impairment of other investments amounting to Baht 6 million. Consequently, during the year 2018, there was loss on impairment of investments as presented in the consolidated statements of comprehensive income totalling Baht 85 million and in the separate statements of comprehensive income totalling Baht 6 million.

## 8.3 Fair value of investments in debt securities which have obligations are as follows:

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>	
	<b>2018</b>	<b>2017</b>
Securities sold under repurchase agreements		
Trading securities <sup>(1)</sup>	-	631,221
Securities borrowed but has yet to be transferred <sup>(2)</sup>	120	2,523
Total investments subject to restrictions	120	633,744

<sup>(1)</sup> Fair value of securities sold under repurchase agreements - trading securities was measured at fair value using Level 2 input.

<sup>(2)</sup> Fair value of securities borrowed but has yet to be transferred was measured at fair value using Level 1 input.

## 8.4 As at 31 December 2018 and 2017, the Company's and its subsidiary's fixed deposits with financial institutions and debt securities (book value) can be classified by the remaining year to maturities as follows:

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>				
	<b>2018</b>				
	<b>Period to maturity</b>				<b>Total</b>
	<b>Within 1 year</b>	<b>1 - 5 years</b>	<b>Exceed 5 years</b>	<b>No maturity</b>	
<b>Trading securities</b>					
Private sector debt securities	40,001	-	201,994	100,587	342,582
<b>Held-to-maturity investments</b>					
Fixed deposits with maturity over					
3 months but less than 1 year	2,824,000	-	-	-	2,824,000
Foreign debt securities	64,521	-	-	-	64,521
Convertible bond	9,480	-	-	-	9,480
Bills of exchange	118,557	-	-	-	118,557
Government bond	1,896,509	-	-	-	1,896,509
Less: Investments of customers' account of the subsidiary	(4,596,509)	-	-	-	(4,596,509)
Total	356,559	-	201,994	100,587	659,140

(Unit: Thousand Baht)

Separate financial statements					
2018					
Period to maturity					
	Within 1 year	1 - 5 years	Exceed 5 years	No maturity	Total
<b>Available-for-sale securities</b>					
Private sector debt securities	40,001	-	201,994	100,587	342,582
<b>Held-to-maturity investments</b>					
Foreign debt securities	64,521	-	-	-	64,521
Convertible bond	9,480	-	-	-	9,480
Bills of exchange	118,557	-	-	-	118,557
<b>Total</b>	<b>232,559</b>	<b>-</b>	<b>201,994</b>	<b>100,587</b>	<b>535,140</b>

(Unit: Thousand Baht)

Consolidated financial statements					
2017					
Period to maturity					
	Within 1 year	1 - 5 years	Exceed 5 years	No maturity	Total
<b>Trading securities</b>					
Private sector debt securities	-	1,006	82,171	-	83,177
<b>Available-for-sale securities</b>					
Private sector debt securities	-	-	207,951	102,326	310,277
<b>Held-to-maturity investments</b>					
Fixed deposits with maturity over					
3 months but less than 1 year	2,064,000	-	-	-	2,064,000
Foreign debt securities	185,333	-	-	-	185,333
Bills of exchange	147,906	-	-	-	147,906
Government bond	398,540	-	-	-	398,540
Less: Investments of customers' account of the subsidiary	(2,298,540)	-	-	-	(2,298,540)
<b>Total</b>	<b>497,239</b>	<b>1,006</b>	<b>290,122</b>	<b>102,326</b>	<b>890,693</b>

(Unit: Thousand Baht)

Separate financial statements					
2017					
Period to maturity					
	Within 1 year	1 - 5 years	Exceed 5 years	No maturity	Total
<b>Available-for-sale securities</b>					
Private sector debt securities	-	-	207,951	102,326	310,277
<b>Held-to-maturity investments</b>					
Foreign debt securities	185,333	-	-	-	185,333
Bills of exchange	147,906	-	-	-	147,906
<b>Total</b>	<b>333,239</b>	<b>-</b>	<b>207,951</b>	<b>102,326</b>	<b>643,516</b>

- 8.5 During the year 2018, the Company sold available sold available-for-sale securities with book values totalling Baht 129 million (2017: Baht 275 million) and recognised gains on the sales in profit or loss, amounting to Baht 2 million (2017: Baht 16 million).
- 8.6 As at 31 December 2018 and 2017, investments held by the Company exceeding 10% of the issued share capital of the investee are as follows:

(Unit: Thousand Baht)

Company's name	Type of business	2018			2017		
		Cost	Net	Percentage of	Cost	Net	Percentage of
			investment	shareholding		investment	shareholding
		(Percent)			(Percent)		
Ordinary shares							
Bangkok SMBC Consulting Co., Ltd.	Venture capital	500	500	10	500	500	10
Cyber VC Pte Ltd.	Investing	29,312	29,312	14	29,312	29,312	14

- 8.7 Unrealised gains on re-measuring available-for-sale investments

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	2018	2017
Balance - beginning of the year (net of income tax)	37,244	29,955
Changes during the year due to		
Revaluation (before net of income tax)	(6,472)	16,402
Sale (before net of income tax)	(3,330)	(7,291)
Income tax	1,960	(1,822)
Balance - end of the year	29,402	37,244

- 8.8 As at 31 December 2018, the percentage of holding in unit trusts of Asset Plus AI Term Fund 5Y1 is 24.59 percent, with a book value of Baht 100.5 million (2017: Book value of Baht 90.6 million). However, the Company does not treat the investment in this open-ended fund as an investment in an associated company because the Company has no significant influence over its financial or operational policies. The fund is independently managed by the fund manager in accordance with the fund's prospectus and is under the supervision of the Office of the Securities and Exchange Commission.
- 8.9 As at 31 December 2018, the Company pledged the share certificate for an investment amounting to Baht 238 million (2017: Baht 238 million), with a local bank as collateral for credit facilities of the investee company in proportion to the Company's shareholding. The Company has commitment to maintain its proportionate shareholding in that company.
- 8.10 As at 31 December 2018, the Company had investments of Baht 100 million (2017: Baht 100 million) in perpetual bonds of one local company, which have been classified as available-for-sale securities and are presented at fair value of Baht 101 million (2017: Baht 102 million). The interest rates are determined at fix rates which are to be adjusted by period.

## 9. Securities purchased under resale agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Private sector debt securities	-	627,784
Total	-	627,784

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Receivables from Clearing House	141,903	838,423
Receivables from overseas securities companies	3,167	25,896
Less: Receivables from Clearing House for customers' account of the subsidiary	(27,830)	(27,107)
Receivables from Clearing House and broker - dealers	117,240	837,212

## 11. Securities and derivatives business receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Securities business receivables</u>				
Cash accounts	582,836	1,616,139	-	-
Credit balance accounts	1,544,158	2,891,312	-	-
Collateral receivables	61,867	63,148	-	-
Securities borrowing and lending receivables	17,003	1,118	-	-
Other receivables	21,471	16,839	15,359	16,389
Total securities business receivables	2,227,335	4,588,556	15,359	16,389
Less: Allowance for doubtful accounts	(15,763)	(16,793)	(15,359)	(16,389)
Securities business receivables	2,211,572	4,571,763	-	-
<u>Derivatives business receivables</u>				
Derivatives business receivables	4,698	999	-	-
Securities and derivatives business receivables	2,216,270	4,572,762	-	-

- 11.1 As at 31 December 2018, the Company and its subsidiary have securities and derivative business receivables approximately Baht 16 million (2017: Baht 17 million) (the Company only: Baht 15 million (2017: Baht 16 million)) on which the Company and its subsidiary ceased accruing interest income.
- 11.2 The Company and its subsidiary have classified securities and derivative business receivables in accordance with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. As at 31 December 2018 and 2017, securities business receivables are classified as follows:

(Unit: Thousand Baht)

Consolidated financial statements						
	2018			2017		
	Net securities business receivables			Net securities business receivables		
	Debt balance	Allowance for doubtful accounts	After allowance for doubtful accounts	Debt balance	Allowance for doubtful accounts	after allowance for doubtful accounts
Normal debts	2,210,562	-	2,210,562	4,572,716	-	4,572,716
Substandard debt	5,708	-	5,708	46	-	46
Doubtful debts	15,763	(15,763)	-	16,793	(16,793)	-
Total	2,232,033	(15,763)	2,216,270	4,589,555	(16,793)	4,572,762

(Unit: Thousand Baht)

Separate financial statements						
	2018			2017		
	Net securities business receivables			Net securities business receivables		
	Debt balance	Allowance for doubtful accounts	after allowance for doubtful accounts	Debt balance	Allowance for doubtful accounts	after allowance for doubtful accounts
Normal debts	-	-	-	-	-	-
Substandard debt	-	-	-	-	-	-
Doubtful debts*	15,359	(15,359)	-	16,389	(16,389)	-
Total	15,359	(15,359)	-	16,389	(16,389)	-

\* Debt before the restructuring of the Group

## 11.3 Allowance for doubtful accounts for securities business receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Balance - beginning of the year	16,793	25,318	16,389	24,914
Less: Reversal of allowance for doubtful accounts	(1,030)	(5,596)	(1,030)	(5,596)
Bad debt write-off	-	(2,929)	-	(2,929)
Balance - end of the year	15,763	16,793	15,359	16,389



Allowance for doubtful accounts presented in the statements of comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Allowance for doubtful accounts - securities business receivables	(1,030)	(5,596)	(1,030)	(5,596)
Allowance for doubtful accounts - advisory business (Note 13)	12,486	(31)	-	-
Total	11,456	(5,627)	(1,030)	(5,596)

## 12. Derivatives assets/liabilities

(Unit: Thousand Baht)

Type of derivatives	Consolidated financial statements			
	Fair value of derivatives			
	2018		2017	
	Assets	Liabilities	Assets	Liabilities
Forward contracts	10,826	8,172	14,726	10,565
Warrants	127	-	-	-
Derivative warrants	-	13,765	2,986	99,055
Options	8,281	-	3,277	-
Total	19,234	21,937	20,989	109,620

(Unit: Thousand Baht)

Type of derivatives	Separate financial statements			
	Fair value of derivatives			
	2018		2017	
	Assets	Liabilities	Assets	Liabilities
Forward contracts	2,655	-	5,908	1,748
Warrants	53	-	-	-
Derivative warrants	-	-	2,986	-
Total	2,708	-	8,894	1,748

### Forward contracts

Notional amount of forward contracts are specified in Note 37 to the financial statements.

### Warrants

As at 31 December 2018, the Company and its subsidiary had warrants which had notional amount totally Baht 3 million (2017: Nil) (the Company only: Baht 1 million (2017: Nil)) which was calculated from exercise price multiplied by number of potential shares that might be exercised.

Derivative warrantsAssets

As at 31 December 2017, derivative warrants had notional amount totally Baht 11 million which was calculated from exercise price multiplied by number of potential shares that might be exercised. However, settlement method of the above derivative warrants was cash settlement between closing price and exercise price of underlying assets at the last trading date. Generally, derivative warrants mature within 1 year.

Liabilities

As at 31 December 2018, derivative warrants had notional amount totally Baht 1,736 million (2017: Baht 2,876 million) which was calculated from exercise price multiplied by number of potential shares that might be exercised. However, settlement method of the above derivative warrants was cash settlement between closing price and exercise price of underlying assets at the last trading date. Generally, derivative warrants mature within 1 year.

The subsidiary's issuance of derivative warrants exposes to the risk of changes in values of underlying securities. The subsidiary manages the risk by using a computer model to monitor the volatility of the price of the underlying securities to help determine its trading strategy. In addition, the subsidiary is exposed to liquidity risk when it wishes to trade the underlying securities. However, the subsidiary manages the risk by selecting the underlying securities that have sufficiently high liquidity.

Options

As at 31 December 2018, options of a subsidiary had notional amount totally Baht 100 million (2017: Baht 143 million).

**13. Other receivables**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Fees and services income receivables	76,987	29,150	-	-
Interest receivables	34,256	22,534	5,973	4,290
Dividend receivables	289	67	199	12
Receivable from securities trading	-	-	3,259	157,459
Collateral receivable for securities trading	-	-	182,773	159,533
Collateral receivable for securities borrowing	-	-	46,118	45,543
Others	8,734	5,479	1,196	152
Less: Allowance for doubtful accounts	(12,486)	-	-	-
Total	<u>107,780</u>	<u>57,230</u>	<u>239,518</u>	<u>366,989</u>

## 14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2018 and 2017 are as follows:

(Unit: Million Baht)

Company's name	Type of investments	Separate financial statements								
		Paid-up share capital		Voting rights		Carrying amount based on the cost method		Carrying amount based on the equity method		
								31 December	31 December	1 January
		2018	2017	2018	2017	2018	2017	2018	2017	2017
				(Percent)	(Percent)				(Restated)	
Asset Plus Fund Management Co., Ltd.	Ordinary shares	200	200	100	100	198	198	277	248	237
Asia Plus Advisory Co., Ltd.	Ordinary shares	15	15	100	100	15	15	68	55	58
Asia Plus Securities Co., Ltd.	Ordinary shares	4,500	4,500	100	100	4,500	4,500	4,764	4,658	4,693
Total						4,713	4,713	5,109	4,961	4,988

14.2 Share of comprehensive income and dividend received for the years ended 31 December 2018 and 2017 are as follows:

(Unit: Million Baht)

Company's name	Separate financial statements					
	For the year ended 31 December 2018					
	Share of profit		Share of other comprehensive income		Dividend received	
	2018	2017	2018	2017	2018	2017
	(Restated)		(Restated)			
Asset Plus Fund Management Co., Ltd.	78,105	55,778	-	(417)	49,000	44,000
Asia Plus Advisory Co., Ltd.	20,701	30,763	-	(3,607)	8,100	30,000
Asia Plus Securities Co., Ltd.	350,128	619,389	-	(6,954)	243,000	648,000
Total	448,934	705,930	-	(10,978)	300,100	722,000

## 15. Investment properties

(Unit: Thousand Baht)

	Separate financial statements		
	Ownership of office space and office building	Land for rental and building – branch	Total
1 January 2017	104,119	9,112	113,231
Depreciation for the year	(8,263)	(530)	(8,793)
31 December 2017	95,856	8,582	104,438
Depreciation for the year	(8,277)	(528)	(8,805)
31 December 2018	87,579	8,054	95,633
Depreciation included in profit or loss for the years ended 31 December:			
2017			8,793
2018			8,805

The fair value of the investment properties as at 31 December 2018 and 2017 stated below:

(Unit: Thousand Baht)

	Separate financial statements	
	2018	2017
Ownership of office space and office building	313,937	313,937
Land for rental and building – branch	22,000	22,000

The fair value of the above investment properties as of 31 December 2018 and 2017 has been determined based on valuation performed by an accredited independent valuer in November 2015. The fair value of the office building held for rent has been determined based on the Market Approach.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land	Office building and building - branch	Furniture and fixtures	Office equipment	Motor vehicles	Asset under installation	Total
<b>At cost</b>							
1 January 2017	52,298	258,869	196,135	353,194	44,175	-	904,671
Acquisition	-	-	1,549	13,118	8,096	1,282	24,045
Disposal	-	-	(25)	(500)	(9,211)	-	(9,736)
Write-off	-	-	(28,533)	(59,231)	-	-	(87,764)
Transfer in (out)	-	-	907	340	-	(1,247)	-
31 December 2017	52,298	258,869	170,033	306,921	43,060	35	831,216
Acquisition	-	-	1,920	4,209	10,140	1,818	18,087
Disposal	-	-	(28)	-	(10,941)	-	(10,969)
Write-off	-	-	(39)	(3)	-	-	(42)
Transfer in (out)	-	-	144	78	-	(222)	-
31 December 2018	52,298	258,869	172,030	311,205	42,259	1,631	838,292
<b>Accumulated depreciation</b>							
1 January 2017	-	197,935	167,422	300,161	26,251	-	691,769
Depreciation charged for the year	-	8,794	9,860	21,958	6,048	-	46,660
Disposal	-	-	(25)	(498)	(8,383)	-	(8,906)
Write-off	-	-	(28,512)	(59,223)	-	-	(87,735)
31 December 2017	-	206,729	148,745	262,398	23,916	-	641,788
Depreciation charged for the year	-	8,805	10,332	20,615	6,534	-	46,286
Disposal	-	-	(18)	(7)	(6,730)	-	(6,755)
Write-off	-	-	(23)	(14)	-	-	(37)
31 December 2018	-	215,534	159,036	282,992	23,720	-	681,282
<b>Net book value</b>							
31 December 2017	52,298	52,140	21,288	44,523	19,144	35	189,428
31 December 2018	52,298	43,335	12,994	28,213	18,539	1,631	157,010
<b>Depreciation included in profit or loss for the years ended 31 December:</b>							
2017							46,660
2018							46,286

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Office building and building - branch	Furniture and fixtures	Office equipment	Motor vehicles	Asset under installation	Total
<b>At cost</b>							
1 January 2017	-	-	41,596	27,987	14,161	-	83,744
Acquisition	-	-	435	978	-	148	1,561
Disposal	-	-	(14)	-	-	-	(14)
Write-off	-	-	(1,379)	(2,274)	-	-	(3,653)
Transfer in (out)	-	-	148	-	-	(148)	-
31 December 2017	-	-	40,786	26,691	14,161	-	81,638
Acquisition	-	-	1,524	723	10,140	250	12,637
Disposal	-	-	(18)	-	(10,941)	-	(10,959)
Write-off	-	-	(23)	-	-	-	(23)
31 December 2018	-	-	42,269	27,414	13,360	250	83,293
<b>Accumulated depreciation</b>							
1 January 2017	-	-	33,391	21,807	6,381	-	61,579
Depreciation charged for the year	-	-	2,457	2,242	1,781	-	6,480
Disposal	-	-	(14)	-	-	-	(14)
Write-off	-	-	(1,378)	(2,274)	-	-	(3,652)
31 December 2017			34,456	21,775	8,162	-	64,393
Depreciation charged for the year	-	-	2,680	2,190	2,350	-	7,220
Disposal	-	-	(18)	-	(6,731)	-	(6,749)
Write-off	-	-	(23)	-	-	-	(23)
31 December 2018	-	-	37,095	23,965	3,781	-	64,841
<b>Net book value</b>							
31 December 2017	-	-	6,330	4,916	5,999	-	17,245
31 December 2018	-	-	5,174	3,449	9,579	250	18,452
<b>Depreciation included in profit or loss for the years ended 31 December:</b>							
2017							6,480
2018							7,220

As at 31 December 2018, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 89 million (2017: Baht 83 million) (the Company only: Baht 51 million (2017: Baht 48 million)).



## 17. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements					
			Futures exchange membership fee	Software under installation	Total
	Golf membership	Software			
<b>At cost</b>					
1 January 2017	4,607	98,169	5,000	-	107,776
Acquisition	-	3,794	-	4,482	8,276
Write-off	-	(1,798)	-	-	(1,798)
Transfer in (out)	-	1,637	-	(1,637)	-
31 December 2017	4,607	101,802	5,000	2,845	114,254
Acquisition	-	2,397	-	2,136	4,533
Write-off	-	(129)	-	-	(129)
Transfer in (out)	-	3,261	-	(3,261)	-
31 December 2018	4,607	107,331	5,000	1,720	118,658
<b>Accumulated amortisation</b>					
1 January 2017	3,870	72,398	5,000	-	81,268
Amortisation charged for the year	289	7,088	-	-	7,377
Write-off	-	(1,798)	-	-	(1,798)
31 December 2017	4,159	77,688	5,000	-	86,847
Amortisation charged for the year	180	7,905	-	-	8,085
31 December 2018	4,339	85,593	5,000	-	94,932
<b>Net book value</b>					
31 December 2017	448	24,114	-	2,845	27,407
31 December 2018	268	21,738	-	1,720	23,726
<b>Amortisation included in profit or loss for the years ended 31 December:</b>					
2017					7,377
2018					8,085

(Unit: Thousand Baht)

	Separate financial statements			
	Golf membership	Software	Software under installation	Total
<b>At cost:</b>				
1 January 2017	4,607	22,591	-	27,198
Acquisition	-	1,650	181	1,831
Write-off	-	(1,798)	-	(1,798)
Transfer in (out)	-	52	(52)	-
31 December 2017	4,607	22,495	129	27,231
Acquisition	-	632	-	632
Write-off	-	-	(129)	(129)
31 December 2018	4,607	23,127	-	27,734
<b>Accumulated amortisation</b>				
1 January 2017	3,870	18,682	-	22,552
Amortisation charged for the year	289	1,272	-	1,561
Write-off	-	(1,798)	-	(1,798)
31 December 2017	4,159	18,156	-	22,315
Amortisation charged for the year	180	1,434	-	1,614
31 December 2018	4,339	19,590	-	23,929
<b>Net book value</b>				
31 December 2017	448	4,339	129	4,916
31 December 2018	268	3,537	-	3,805
<b>Amortisation included in profit or loss for the years ended 31 December:</b>				
2017				1,561
2018				1,614

On 30 March 2004 and 10 August 2004, the Company obtained a mutual fund management license and a private fund management license, respectively that have been fully amortised.

## 18. Income tax

### 18.1 Deferred tax assets / liabilities

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Unrealised loss from changing in fair value of derivatives liabilities	1,847	349	-	349
Unrealised loss on reclassification of investments	238	113	238	113
Unrealised loss from changing in fair value of trading securities	20,232	-	14,492	-
Unrealised loss from changing in fair value of borrowing securities	-	1,227	-	-
Unrealised loss from changing in fair value of futures contracts	-	2	-	2
Provision for long-term employee benefits	26,557	25,224	6,116	6,058
Unused tax loss	2,201	35,749	2,201	35,749
Other liabilities	-	1,286	-	-
Amortisation of intangible assets	-	41	-	-
Allowance for loss on impairment of investments	16,992	-	1,202	-
Allowance for doubtful accounts	2,498	-	-	-
Unrealised loss from changing in fair value of collateral shares	464	-	-	-
Total	71,029	63,991	24,249	42,271
<b>Deferred tax liabilities</b>				
Unrealised gain from changing in fair value of derivatives assets	3,744	4,160	541	1,176
Unrealised gain from changing in fair value of derivatives liabilities	2,823	1,888	-	-
Unrealised gain from changing in fair value of available-for-sale securities	7,350	9,311	7,350	9,311
Unrealised gain from changing in fair value of trading securities	-	21,378	-	19,941
Unrealised gain from changing in fair value of futures contracts	4,133	1,303	-	-
Unrealised loss from changing in fair value of borrowing securities	331	-	-	-
Total	18,381	38,040	7,891	30,428
<b>Deferred tax assets - net</b>	<b>52,648</b>	<b>25,951</b>	<b>16,358</b>	<b>11,843</b>

## 18.2 Income tax

Tax (income) expenses for the years ended 31 December 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge	133,358	174,048	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(24,737)	13,900	(2,555)	9,683
<b>Total tax (income) expenses</b>	<b>108,621</b>	<b>187,948</b>	<b>(2,555)</b>	<b>9,683</b>

The reconciliation between accounting profit and tax (income) expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	542,821	929,514	431,646	(Restated) 751,249
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	108,564	185,903	86,329	150,250
Effects of:				
Non-deductible expenses	3,947	4,162	2,205	2,022
Tax exempted revenue	(2,420)	(710)	(90,821)	(142,418)
Additional expense deductions allowed	(1,470)	(1,407)	(268)	(171)
Total	57	2,045	(88,884)	(140,567)
Total tax (income) expenses	108,621	187,948	(2,555)	9,683

## 18.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax relating to gain from changing in fair value of available-for-sale investments	(1,960)	1,822	(1,960)	1,822
Deferred tax relating to actuarial losses	-	(3,822)	-	(1,078)
	(1,960)	(2,000)	(1,960)	744

## 19. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Payments of securities clearing fund	97,359	87,505	-	-
Advance for investment*	26,159	-	26,159	-
Deposits	22,253	22,216	9,498	9,498
Securities deposit	5,000	5,000	-	-
Total	150,771	114,721	35,657	9,498

\* In October 2018, the Company paid for investment in USD 0.79 million in a newly set-up company registered in Singapore amounting to USD 0.79 million. This company principally engages in investing in a company who operates an e-lending platform. As at 31 December 2018, such company was during the company registration process.

## 20. Short-term borrowings

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Remaining period to maturity		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Short-term borrowings from financial institutions								
Promissory notes	-	1.65 - 2.32	-	At call	-	2,350,000	-	-
Promissory notes	-	1.63	-	Less than 1 month	-	100,000	-	-
Total					-	2,450,000	-	-

(Unit: Thousand Baht)

	Interest rate (percent per annum)		Remaining period to maturity		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017
Short-term borrowings								
Promissory notes	1.45 - 1.80	1.45 - 1.80	At call	At call	-	-	2,055,000	2,185,000
Bills of exchange	1.80 - 1.90	1.80	Less than 2 months	Less than 1 month	449,222	799,249	449,222	799,249
Structured notes	1.75	1.75	Less than 1 month	Less than 1 month	99,928	131,970	-	-
Total					549,150	931,219	2,504,222	2,984,249

No collateral for these borrowings.

The structured notes comprise a debenture and a put option. A subsidiary issued the structured notes, with terms of no more than 90 days, and the underlying assets are securities included in the SET 50 index. The settlement of principal/payment of a return on the structured notes are to be by cash and/or by delivery of underlying assets, or securities that are not issued by the subsidiary.

**21. Securities sold under repurchase agreements**

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Private sector debt securities	-	627,703
Total	-	627,703

**22. Payables to Clearing House and broker – dealers**

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Payables to Clearing House	150,007	-
Payables to overseas securities companies	8,590	70,068
Total	158,597	70,068

**23. Securities and derivatives business payables**

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
<u>Securities business payables</u>		
Cash accounts	430,281	1,537,683
Collateral payables	5,561	4,745
Securities borrowing and lending payables	61,584	56,785
Add: Accrued interest expenses	5	5
Securities business payables	497,431	1,599,218
<u>Derivatives business payables</u>		
Derivatives business payables	8,682	1,947
Securities and derivatives business payables	506,113	1,601,165

**24. Other payables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accrued expenses	275,897	401,690	95,278	157,035
Payable from securities trading	-	-	2,458	119,147
Other payables	26,843	4,141	11,884	1,154
Total	302,740	405,831	109,620	277,336



## 25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Provision for long-term employee benefits at beginning of year</b>	126,119	124,471	30,288	25,422
Included in profit or loss:				
Current service cost	12,863	8,752	3,997	1,965
Interest cost	2,985	3,602	704	795
Past service cost	-	(13,370)	-	(3,284)
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	3,468	-	(139)
Financial assumptions changes	-	6,994	-	1,159
Experience adjustments	-	8,650	-	4,370
Benefit paid during the year	(9,183)	(16,448)	(4,410)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>132,784</b>	<b>126,119</b>	<b>30,579</b>	<b>30,288</b>

Long-term employee benefit expenses included in employee benefits expenses in profit or loss are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current service cost	12,863	8,752	3,997	1,965
Interest cost	2,985	3,602	704	795
Past service cost	-	(13,370)	-	(3,284)
<b>Total</b>	<b>15,848</b>	<b>(1,016)</b>	<b>4,701</b>	<b>(524)</b>

The Company and its subsidiaries expect to pay Baht 6.6 million of long-term employee benefits during the next year (the Company only: Baht 1.5 million) (2017: Baht 13.4 million, the Company only: Baht 4.3 million).

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 11 years (the Company only: 11 years) (2017: 11 years, the Company only: 11 years).

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.5	2.5	2.5	2.5
Salary increase rate	4.0	4.0	4.0	4.0
Turnover rate	0 - 50	0 - 50	0 - 50	0 - 50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

Consolidated financial statements				
31 December 2018				
	Increase	Effect to provision for long-term employee benefits	Decrease	Effect to provision for long-term employee benefits
	(Percent)	(Million Baht)	(Percent)	(Million Baht)
Discount rate	0.5	(4.5)	0.5	4.8
Salary increase rate	0.5	5.3	0.5	(5.1)
Turnover rate	10	(3.8)	10	4.2
Separate financial statements				
31 December 2018				
	Increase	Effect to provision for long-term employee benefits	Decrease	Effect to provision for long-term employee benefits
	(Percent)	(Million Baht)	(Percent)	(Million Baht)
Discount rate	0.5	(0.8)	0.5	0.8
Salary increase rate	0.5	0.9	0.5	(0.9)
Turnover rate	10	(0.5)	10	0.5
Consolidated financial statements				
31 December 2017				
	Increase	Effect to provision for long-term employee benefits	Decrease	Effect to provision for long-term employee benefits
	(Percent)	(Million Baht)	(Percent)	(Million Baht)
Discount rate	0.5	(4.6)	0.5	4.9
Salary increase rate	0.5	4.8	0.5	(4.5)
Turnover rate	10.0	(3.4)	10.0	3.7
Separate financial statements				
31 December 2017				
	Increase	Effect to provision for long-term employee benefits	Decrease	Effect to provision for long-term employee benefits
	(Percent)	(Million Baht)	(Percent)	(Million Baht)
Discount rate	0.5	(0.8)	0.5	0.8
Salary increase rate	0.5	0.8	0.5	(0.8)
Turnover rate	10.0	(0.4)	10.0	0.5

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits approximately of Baht 38 million (the Company only: Baht 12 million). The Company and its subsidiaries will reflect the effect of the change by recognising past services costs as expenses in the income statement of the period in which the law is effective.

## 26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 27. Brokerage fees

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Brokerage fees from securities business	823,242	977,089
Brokerage fees from derivatives business	48,864	39,929
	<u>872,106</u>	<u>1,017,018</u>

## 28. Fees and services income

(Unit: Thousand Baht)

	Consolidated financial statements	
	2018	2017
Underwriting fee	169,265	137,086
Financial advisory fee	173,383	235,905
Selling agent fee	21,257	22,622
Bond representative fee	8,758	-
Securities lending fee	988	1,572
Private fund management fee	55,788	51,842
Mutual fund management fee	285,485	167,288
Registrar fee	116,418	93,237
Arranger fee	-	4,500
Others	6,901	2,489
	<u>838,243</u>	<u>716,541</u>

## 29. Earnings per share

Basic earnings per share is determined by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the year (Thousand Baht)	434,200	741,566	434,200	741,566
Weighted average number of ordinary shares (Thousand shares)	2,105,656	2,105,656	2,105,656	2,105,656
Earnings per share (Baht/share)	0.21	0.35	0.21	0.35

## 30. Provident funds

The Company and its employees, and the subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees of each company contributed to the funds monthly at the rate of 4 - 8 percent of basic salary. The funds, which have managed by BBL Asset Management Public Company Limited will be paid to employees upon termination in accordance with the fund rules.

During the years 2018 and 2017, the contributions were recognised as expenses as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Contributions to provident funds	32	31	7	7

## 31. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividend for 2016	Annual General Meeting of the shareholders on 19 April 2017	440,667	0.21
Interim dividend for 2017	Board of Directors Meeting on 15 August 2017	210,566	0.10
Total for 2017		651,233	0.31
Final dividend for 2017	Annual General Meeting of the shareholders on 25 April 2018	421,131	0.20
Interim dividend for 2018	Board of Directors Meeting on 14 August 2018	210,566	0.10
Total for 2018		631,697	0.30

## 32. Related party transactions

The relationships between the Company and its related parties that have significant business transactions during the years 2018 and 2017 are summarised below.

Name of related parties	Relationship
Asset Plus Fund Management Co., Ltd.	Subsidiary
Asia Plus Advisory Co., Ltd.	Subsidiary
Asia Plus Securities Co., Ltd.	Subsidiary
Bangkok Bank Plc.	Shareholder and close family member of the Company's director holds a position of director Bangkok Bank Plc. is its major shareholder.
BBL Asset Management Co., Ltd.	Managed by BBL Asset Management Co., Ltd.
Funds managed by BBL Asset Management Co., Ltd.	Managed by BBL Asset Management Co., Ltd.
Funds managed by Asset Plus Fund Management Co., Ltd.	Managed by Asset Plus Fund Management Co., Ltd.
Asia Sermkij Co., Ltd.	Common directors
Chatrian Holding Co., Ltd.	Common directors
Thai Incubator Dot Com Co., Ltd.	Common directors
City Realty Co., Ltd.	Common directors
City Villa Co., Ltd.	Common directors
TICON Industrial Connection Plc.	Common directors
Bangkok Club Co., Ltd.	Common directors
Metro System Corporation Plc.	Common directors
Asia Warehouse Co., Ltd.	Common directors
Sathorn City Tower Juristic Person	Common directors
Chatubutr Holding Co., Ltd.	Common directors
Panichsawad Co., Ltd.	Common directors
Bangkok Insurance Plc.	Common directors
Riverside Garden Marina Co., Ltd.	Common directors
Sukhumvit City Mall Group Co., Ltd.	Common directors
Intouch Holdings Plc.	Common directors
Supalai Plc.	Common directors
Thai Agro Energy Plc.	Common directors
Bangkok Chain Hospital Plc.	Common directors
Vintcom Technology Plc.	Common directors
I - Secure Company Limited	Common directors

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, are based on commercial term as the ordinary course of business.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2018	2017	2018	2017	
<b>Transactions with subsidiaries</b>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	300,100	722,000	Normal rate declared
Interest income	-	-	2,274	1,915	Normal rate charged to ordinary customers
Other income	-	-	266,703	217,573	Agreed upon basis
Brokerage fee expenses	-	-	25,043	19,080	Normal rate charged to ordinary customers
Premises and equipment expenses	-	-	175	140	Price stated in contract
Service fee expenses	-	-	350	239	Agreed upon basis
Other expenses	-	-	3,644	3,567	Agreed upon basis
Interest expenses	-	-	30,153	46,862	Price stated in contract
<b>Transactions with related parties</b>					
Brokerage fees	11,478	14,710	-	-	Normal rate charged to ordinary customers
Interest income	273	286	83	121	Market rate
Dividend income	7,581	5,118	6,208	4,244	Normal rate declared
Premises and equipment expenses	68,337	66,427	23,890	22,957	Price stated in contract
Bank charges	3,646	3,974	370	351	Normal rate charged to ordinary customers
Other expenses	1,933	1,410	1,019	1,075	Normal rate charged to ordinary customers and price stated in contract
Interest expenses	5,969	15,971	-	-	Market rate
Purchases of assets	779	-	632	-	Market price
<b>Transactions with the directors of the Company's group and their close family members</b>					
Brokerage fees	1,919	2,650	-	-	Normal rate charged to ordinary customers
Fee and service expenses	844	975	-	-	Normal rate charged to ordinary customers



The balances of accounts as at 31 December 2018 and 2017 between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
(Eliminated from the consolidated financial statements)				
Deposit for securities trading	-	-	105,810	34,648
Accrued interest income	-	-	41	41
Other receivables	-	-	232,181	362,568
Derivative assets	-	-	1,065	2,229
Derivative liabilities	-	-	-	942
Other payables	-	-	2,458	119,147
Short-term borrowings	-	-	2,055,000	2,185,000
<b>Related parties</b>				
Deposits at financial institutions in the name of Company, subsidiary and on behalf of customers	105,533	93,880	38,076	21,197
Securities and derivatives business receivables	3,374	156,852	-	-
Interest receivables	5	38	3	35
Deposits	14,756	14,679	6,002	6,002
Other assets	184	170	142	151
Short-term borrowings from financial institution	-	1,000,000	-	-
Securities and derivatives business payables	2,645	95,645	-	-
Other payables	1,592	1,156	884	536
<b>Directors of the Company's group and their close family members</b>				
Securities and derivatives business receivables	-	52,477	-	-
Derivative assets	629	1,915	-	-
Securities and derivatives business payables	-	13,779	-	-
Derivative liabilities	17	118	-	-

A subsidiary has overdraft facilities of Baht 30 million with a bank which is a related company. As at 31 December 2018 and 2017, the subsidiary has not drawn down such facilities.

During the year 2018, the Company and its subsidiaries had movements of borrowings from related companies as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance			Balance
Interest rate		as at	During the year		as at
(Percent					31 December
per annum)		1 January 2018	Increase	Decrease	2018
Short-term borrowings from financial institution					
Related company					
Bangkok Bank Plc.	1.65 - 1.90	1,000,000	17,735,000	(18,735,000)	-

(Unit: Thousand Baht)

		Separate financial statements			
		Balance	During the year		Balance
Interest rate		as at			as at
(Percent					31 December
per annum)		1 January 2018	Increase	Decrease	2018
Short-term borrowings					
Subsidiaries					
Asia Plus Securities					
Co., Ltd.					
Promissory notes	1.80 - 1.85	2,035,000	9,858,000	(9,988,000)	1,905,000
Asset Plus Fund					
Management Co., Ltd.					
Promissory notes	1.45	150,000	150,000	(150,000)	150,000
Total		2,185,000	10,008,000	(10,138,000)	2,055,000

Borrowings from related companies have no collateral and due at call.

The outstanding balances of investments in related companies as at 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Bangkok Bank Plc.	2,901	70,740	-	26,422
Bangkok Club Co., Ltd.	1,240	1,240	1,240	1,240
Intouch Holdings Plc.	16,805	25,948	14,918	23,867
Supalai Plc.	2,100	-	-	-
Thai Agro Energy Plc.	2	2	-	-
Bangkok Chain Hospital Plc.	1,340	3,633	-	-
Vintcom Technology Plc.	-	507	-	507
Asset Plus Europe Value Fund	-	20,125	-	20,125
Asset Plus Europe Property Fund	-	15,000	-	15,000
Asset Plus AI Term Fund 5Y1	86,221	90,606	86,221	90,606
Asset Plus Robotics Fund	30,300	30,300	30,300	30,300
The Bangkok Garden Property Fund	761	761	761	761
Sathorn City Tower Property Fund	64	64	64	64
The Emporium Tower Property Fund	4,100	4,100	4,100	4,100
Total	145,834	263,026	137,604	212,992
Add: Change in fair value of securities	29,489	30,876	30,072	30,750
Net	175,323	293,902	167,676	243,742

During the years, the Company purchased and sold unit trusts of funds managed by the related parties. Purchase and sales prices were made at the net asset value, which was the normal price charged to ordinary investors. The details are as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	Purchase of unit trusts		Sales of unit trusts	
	2018	2017	2018	2017
Asset Plus Robotics Fund	-	30,300	-	-
Asset Plus AI Term Fund 5Y1	-	-	4,992	4,992
Asset Plus Europe Value Fund	-	-	22,102	-
Asset Plus Europe Property Fund	-	-	16,109	-

#### Directors and management's benefit

During the years, the Company and the subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term benefits	156,811	199,813	115,996	158,771
Post-employment benefits	9,601	5,360	6,852	3,981
Total	166,412	205,173	122,848	162,752

### Guarantee obligations with related party

The Company has outstanding guarantee obligations with a subsidiary, as described in Note 34.2.1 to the financial statements.

## 33. Interest in investment funds which are structured entities

The subsidiary managed a number of investment funds which meet the definition of structured entities. The subsidiary holds interests in these structured entities through the receipt of management fees from these funds.

As at 31 December 2018, based on the latest available financial reports of the managed funds which meet the definition of structured entities, the total net asset values of those funds is approximately Baht 24,680 million (2017: Baht 36,387 million).

The subsidiary's interest in those funds is shown below.

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
<b>Statement of financial position</b>		
Fees and service income receivables	29	32

(Unit: Million Baht)

	Consolidated financial statements	
	2018	2017
<b>Statement of comprehensive income</b>		
Fees and service income	402	247

The maximum exposure to loss is equal to fees and service income receivables as shown above.

## 34. Commitments and contingent liabilities

### 34.1 Commitments

- The Company and its subsidiaries had entered into several operating lease agreements in respect of the lease of area in the building and vehicles. The terms of the agreements are generally between 1 year and 5 years. Such agreements are non-cancellable.

As at 31 December 2018 and 2017, future minimum lease payments required under these non-cancellable operating leases agreements and service agreements were as follows.

(Unit: Million Baht)

Payable:	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
In up to 1 year	56	68	15	19
In over 1 and up to 5 years	34	76	7	21

As at 31 December 2018, Baht 66 million of the commitments of the Company and the subsidiaries are obligations under lease agreements and service agreements with related companies (2017: Baht 117 million) (the Company only: Baht 22 million (2017: Baht 40 million)).

- The subsidiary had commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited 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.

- 3) The subsidiary had commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a derivatives contract transaction and/or other fees specified in the agreements.
- 4) The subsidiaries had commitments to pay fees to the Office of the Securities and Exchange Commission in relation to licenses for securities brokerage, securities trading, securities underwriting, securities borrowing and lending, derivatives brokerage, derivatives dealer, mutual fund and private fund management, financial advisory, and other licenses. The fees are charged at the certain rates from the aforesaid businesses.
- 5) As at 31 December 2018 and 2017, the Company and its subsidiary had commitments in respect of futures contracts traded through the Thai Futures Exchange as detailed in Note 37.1 to the financial statements.
- 6) As at 31 December 2018 and 2017, the subsidiary had commitments in respect of issuance and offer of derivative warrants in the Stock Exchange of Thailand.
- 7) As at 31 December 2018 and 2017, the Company and its subsidiary had commitments in respect of entering into forward contracts as detailed in Note 37.1 to the financial statements.
- 8) As at 31 December 2018, the Company had commitments of USD 0.51 million and Baht 1.5 million (2017: USD 0.78 million and Baht 1.5 million) in respect of uncalled portion of other investments.
- 9) As at 31 December 2018 and 2017, the Company has commitment to maintain its proportionate shareholding in a company as discussed in Note 8.9 to the financial statements.
- 10) As at 31 December 2018, the subsidiary had capital commitments of Baht 0.6 million software (2017: Baht 0.6 million), relating to the developing of computer software.

## 34.2 Contingent liabilities

### 34.2.1 Guarantees

- 1) As at 31 December 2018, the Company has provided a guarantee to a bank for credit facilities of a subsidiary amounting to Baht 355 million (2017: Baht 355 million), of which Baht 300 million (2017: Baht 300 million) are joint credit facilities shared with the Company.
- 2) As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 1.8 million (2017: Baht 1.9 million) (the Company only: Baht 0.1 million (2017: Baht 0.1 million)), issued by a bank on behalf of the Company and its subsidiaries in respect of certain performance bonds required in the normal course of business of the Company and its subsidiaries.

### 34.2.2 Litigations

On 2 October 2018, a subsidiary was sued in a civil suit and was demanded that it shares responsibility with other juristic persons for damages of Baht 20 million. A subsidiary submitted its statement to the court on 30 November 2018. The court scheduled mediation to be 27 February 2019 and the taking of evidence of the plaintiff to be 25 March 2019. The management believes that no loss will result to the subsidiary from this case.

## 35. Segment information

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 and its subsidiaries are organised into business units based on its products and services and have the following four reportable segments:

- The securities and derivatives brokerage segment, which provides brokering services for both local and foreign investors
- The investment banking segment, which provides financial advisory services and underwriting services





(Unit: Million Baht)

	Securities and derivatives brokerage segment	Investment banking segment	Fund management segment	Investment trading segment	Other segments	Eliminations	Consolidated financial statements
<b>Segment assets</b>							
At 31 December 2018	1,208	198	371	1,307	10,545	(7,237)	6,392
At 31 December 2017	3,081	236	338	2,299	12,587	(7,250)	11,291

The Company and its subsidiaries have no major customer with revenue of 10 percent or more of the entity's revenues. Almost customers of the Company and its subsidiaries are local customers.

The Company and its subsidiaries are 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 segment.

### 36. Fair value hierarchy

As at 31 December 2018 and 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value or their fair values were disclosed using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Trading securities				
Equity instruments	1,084,903	-	-	1,084,903
Available-for-sale securities				
Equity instruments	59,570	-	-	59,570
Debt instruments	-	342,582	-	342,582
Unit trusts	-	126,038	27,574	153,612
Derivatives assets				
Forward contracts	-	10,826	-	10,826
Warrants	127	-	-	127
Options	-	8,281	-	8,281
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Forward contracts	-	8,172	-	8,172
Derivative warrants	13,765	-	-	13,765
<b>Assets for which fair value are disclosed</b>				
Held-to-maturity investments*	2,824,000	2,089,145	-	4,913,145
Other investments				
Equity instruments	-	-	542,444	542,444

\* These included held-to-maturity investments were deposits at financial institutions and debt securities of Baht 4,597 million which were in name of the subsidiary and on behalf of customers.

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2018				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Trading securities				
Equity instruments	489,951	-	-	489,951
Available-for-sale securities				
Equity instruments	59,570	-	-	59,570
Debt instruments	-	342,582	-	342,582
Unit trusts	-	126,038	27,574	153,612
Derivatives assets				
Forward contracts	-	2,655	-	2,655
Warrants	53	-	-	53
<b>Assets for which fair value are disclosed</b>				
Held-to-maturity investments	-	192,558	-	192,558
Investment properties	-	335,937	-	335,937
Other investments				
Equity instruments	-	-	542,124	542,124

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Trading securities				
Equity instruments	2,764,549	-	-	2,764,549
Debt instruments	-	83,177	-	83,177
Available-for-sale securities				
Equity instruments	92,850	-	-	92,850
Debt instruments	-	310,277	-	310,277
Unit trusts	-	71,215	30,532	101,747
Derivatives assets				
Forward contracts	-	14,726	-	14,726
Warrants	2,986	-	-	2,986
Options	-	3,277	-	3,277

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Forward contracts	-	10,565	-	10,565
Derivative warrants	99,055	-	-	99,055
<b>Assets for which fair value are disclosed</b>				
Held-to-maturity investments*	2,064,000	731,973	-	2,795,973
Other investments				
Equity instruments	-	101,031	517,689	618,720

\* These included held-to-maturity investments were deposits at financial institutions and debt securities of Baht 2,299 million which were in name of the subsidiary and on behalf of customers.

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Trading securities				
Equity instruments	1,259,204	-	-	1,259,204
Available-for-sale securities				
Equity instruments	92,850	-	-	92,850
Debt instruments	-	310,277	-	310,277
Unit trusts	-	71,215	30,532	101,747
Derivatives assets				
Forward contracts	-	5,908	-	5,908
Derivative warrants	2,986	-	-	2,986
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities				
Forward contracts	-	1,748	-	1,748
<b>Assets for which fair value are disclosed</b>				
Held-to-maturity investments	-	333,239	-	333,239
Investment properties	-	335,937	-	335,937
Other investments				
Equity instruments	-	101,031	517,626	618,657

## 37. Financial Instruments

### 37.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, securities purchased under resale agreements, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, accrued fees and service income from asset management business, derivatives assets, investments, other receivables, short-term borrowings from financial institutions, securities sold under repurchase agreements, payables to Clearing House and broker - dealers, securities and derivatives business payables, accrued fees and service expenses from asset management business, derivatives liabilities, other payables and short-term borrowings. The financial risks associated with these financial instruments and how they are managed in described below.

#### *Credit risk*

The Company and its subsidiaries are exposed to credit risk primarily with respect to deposits at financial institutions, securities purchased under resale agreements, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, accrued fees and service income from asset management business, derivatives assets, investments in debt securities, and other receivables. The management manages the risk by setting up various measures to evaluate credit risks of all new customers when apply for new accounts to determining a proper credit line. The Company and its subsidiary also review customers' credit lines continuously. To control risk in lending for securities purchase, the Company and its subsidiary evaluate the customers' financial status and ability to repay as well as the customers' current trading patterns. The Company and its subsidiaries also limit the list of securities that can be purchased on margin, and consider the securities fundamentals and liquidity. In addition, the Company and its subsidiary limit the amount of securities that can be purchased and its concentration in any particular securities.

The investment in debt instruments is determined on the basis of the firm financial status of issuing institutions and their instruments being rated at acceptable rating by the reputable credit rating agencies.

In addition, the Company and its subsidiaries do not have high concentration of credit risk of retail client since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Financial assets</b>				
Deposits at financial institutions in the name of Company, its subsidiaries and on behalf of customers	5,440,062	5,877,207	151,696	64,369
Securities purchased under resale agreements	-	627,784	-	-
Receivables from Clearing House and broker - dealers	117,240	837,212	-	-
Securities and derivatives business receivables	2,216,270	4,572,762	-	-
Accrued fees and service income from asset management business	44,241	46,844	-	-
Derivatives assets	19,234	20,989	2,708	8,894
Investments in debt securities in the name of Company, its subsidiaries and on behalf of customers	2,431,649	1,125,233	535,140	643,516
Other receivables	107,779	57,230	239,518	366,989

### Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to deposits at financial institutions, securities purchased under resale agreements, securities business receivables - credit balance accounts, investments in debt securities, short-term borrowings from financial institutions, securities sold under repurchase agreements and short-term borrowings. However, since the Company and its subsidiaries' financial assets and liabilities are short-term in nature and bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2018 and 2017 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements										
As at 31 December 2018										
Outstanding balances of financial instruments										
Floating interest rate	Fixed interest rate							Interest rate		
	Repricing or maturity dates							(Percent per annum)		
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	No interest	Total	Floating rate	Fixed rate	
<b>Financial instruments - assets</b>										
Cash and cash equivalents	536	238	14	-	-	-	360	1,148	0.37 - 0.50	1.25
Investments	-	-	357	-	202	101	1,658	2,318	-	1.00 - 7.25
Receivables from Clearing House and broker - dealers	-	-	-	-	-	-	117	117	-	-
Securities and derivatives business receivables	1,544	-	-	-	-	-	672	2,216	5.06 - 12.0	-
Accrued fees and service income from asset management business	-	-	-	-	-	-	44	44	-	-
Derivatives assets	-	-	-	-	-	-	19	19	-	-
Other receivables	-	-	-	-	-	-	108	108	-	-
<b>Financial instruments - liabilities</b>										
Payables to Clearing House and broker - dealers	-	-	-	-	-	-	159	159	-	-
Securities and derivatives business payables	-	-	-	-	-	-	506	506	-	-
Accrued fees and service expenses from asset management business	-	-	-	-	-	-	16	16	-	-
Derivatives liabilities	-	-	-	-	-	-	22	22	-	-
Other payables	-	-	-	-	-	-	303	303	-	-
Short-term borrowings	-	-	549	-	-	-	-	549	-	Note 20

(Unit: Million Baht)

Separate financial statements										
As at 31 December 2018										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate						Interest rate		
		Repricing or maturity dates						(Percent per annum)		
		At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	No interest	Total	Floating rate	Fixed rate
<u>Financial instruments - assets</u>										
Cash and cash equivalents	25	-	-	-	-	-	121	146	0.38 - 0.50	-
Investments	-	-	233	-	202	101	1,063	1,599	-	1.00 - 7.25
Derivatives assets	-	-	-	-	-	-	3	3	-	-
Other receivables	229	-	-	-	-	-	11	240	1.05	-
<u>Financial instruments - liabilities</u>										
Derivatives liabilities	-	-	-	-	-	-	110	110	-	-
Short-term borrowings	-	2,055	449	-	-	-	-	2,504	-	Note 20

(Unit: Million Baht)

Consolidated financial statements										
As at 31 December 2017										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate						Total	Interest rate	
		Repricing or maturity dates							(Percent per annum)	
		At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	No interest		Floating rate	Fixed rate
<b>Financial instruments - assets</b>										
Cash and cash equivalents	108	170	-	-	-	-	128	406	0.38	0.8 - 1.05
Investments	-	-	497	1	290	102	3,445	4,335	-	5.10 - 12.00
Securities purchased under resale agreements	-	-	628	-	-	-	-	628	-	4.00 - 4.40
Receivables from Clearing House and broker - dealers	-	-	-	-	-	-	837	837	-	-
Securities and derivatives business receivables	2,891	-	-	-	-	-	1,682	4,573	5.06 - 12.00	-
Accrued fees and service income from asset management business	-	-	-	-	-	-	47	47	-	-
Derivatives assets	-	-	-	-	-	-	21	21	-	-
Other receivables	-	-	-	-	-	-	57	57	-	-
<b>Financial instruments - liabilities</b>										
Short-term borrowings from financial institutions	-	2,350	100	-	-	-	-	2,450	-	Note 20
Securities sold under repurchase agreements	-	-	628	-	-	-	-	628	-	4.00 - 4.40
Payables to Clearing House and broker - dealers	-	-	-	-	-	-	70	70	-	-
Securities and derivatives business payables	-	-	-	-	-	-	1,601	1,601	-	-
Accrued fees and service expenses from asset management business	-	-	-	-	-	-	25	25	-	-
Derivatives liabilities	-	-	-	-	-	-	110	110	-	-
Other payables	-	-	-	-	-	-	406	406	-	-
Short-term borrowings	-	-	931	-	-	-	-	931	-	Note 20



(Unit: Million Baht)

Separate financial statements										
As at 31 December 2017										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate					Total	Interest rate		
		Repricing or maturity dates						(Percent per annum)		
		At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	No interest		Floating rate	Fixed rate
<b>Financial instruments - assets</b>										
Cash and cash equivalents	13	-	-	-	-	-	46	59	0.38	-
Investments	-	-	333	-	208	102	1,939	2,582	-	5.75 - 12.00
Derivatives assets	-	-	-	-	-	-	9	9	-	-
Other receivables	205	-	-	-	-	-	162	367	1.05	-
<b>Financial instruments - liabilities</b>										
Derivatives liabilities	-	-	-	-	-	-	2	2	-	-
Other payables	-	-	-	-	-	-	277	277	-	-
Short-term borrowings	-	2,185	799	-	-	-	-	2,984	-	Note 20

### Liquidity Risk

The Company and its subsidiaries may be exposed to liquidity risk due to securities and derivatives business receivables, of which the Company and its subsidiaries may not be able to obtain settlement, and due to investments, which the Company and its subsidiaries may not be able to dispose at the expected prices due to volatility in the market. However, these financial assets are considered highly liquid assets, as reflected in the subsidiary's net capital ratio which is higher than the mandatory minimum requirement of 7 percent. The Company and its subsidiaries also have sufficient credit lines from various financial institutions to finance their operations.

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

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2018						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial instruments - assets</b>						
Cash and cash equivalents	1,134	14	-	-	-	1,148
Investments	-	357	-	202	1,759	2,318
Receivables from Clearing House and broker - dealers	-	117	-	-	-	117
Securities and derivatives business receivables	-	672	-	-	1,544	2,216
Accrued fees and service income from asset management business	-	44	-	-	-	44
Derivatives assets	-	19	-	-	-	19
Other receivables	-	108	-	-	-	108
<b>Financial instruments - liabilities</b>						
Payables to Clearing House and broker - dealers	-	159	-	-	-	159
Securities and derivatives business payables	-	506	-	-	-	506
Accrued fees and service expenses from asset management business	-	16	-	-	-	16
Derivatives liabilities	-	22	-	-	-	22
Other payables	-	303	-	-	-	303
Short-term borrowings	-	549	-	-	-	549

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2018					
Outstanding balances of financial instruments					
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial instruments - assets</b>					
Cash and cash equivalents	146	-	-	-	146
Investments	-	233	-	202	1,599
Derivatives assets	-	3	-	-	3
Other receivables	229	11	-	-	240
<b>Financial instruments - liabilities</b>					
Other payables	-	110	-	-	110
Short-term borrowings	2,055	449	-	-	2,504

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2017					
Outstanding balances of financial instruments					
At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial instruments - assets</b>					
Cash and cash equivalents	406	-	-	-	406
Investments	-	497	1	290	4,335
Securities purchased under resale agreements	-	628	-	-	628
Receivables from Clearing House and broker - dealers	-	837	-	-	837
Securities and derivatives business receivables	-	1,682	-	-	4,573
Accrued fees and service income from asset management business	-	47	-	-	47
Derivatives assets	-	21	-	-	21
Other receivables	-	57	-	-	57
<b>Financial instruments - liabilities</b>					
Short-term borrowings from financial institutions	2,350	100	-	-	2,450
Securities sold under repurchase agreements	-	628	-	-	628
Payables to Clearing House and broker - dealers	-	70	-	-	70
Securities and derivatives business payables	-	1,601	-	-	1,601
Accrued fees and service expenses from asset management business	-	25	-	-	25
Derivatives liabilities	-	110	-	-	110
Other payables	-	406	-	-	406
Short-term borrowings	-	931	-	-	931

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial instruments - assets</b>						
Cash and cash equivalents	59	-	-	-	-	59
Investments	-	333	-	208	2,041	2,582
Derivatives assets	-	9	-	-	-	9
Other receivables	205	162	-	-	-	367
<b>Financial instruments - liabilities</b>						
Derivatives liabilities	-	2	-	-	-	2
Other payables	-	277	-	-	-	277
Short-term borrowings	2,185	799	-	-	-	2,984

### Foreign currency risk

The Company and its subsidiaries are exposed to significant foreign currency risk in respect of investments in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward contracts when they consider appropriate. Generally, the forward contracts mature within 1 year.

As at 31 December 2018 and 2017, outstanding balances of the Company's and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Consolidated financial statements						
Foreign currencies	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	9.4	20.8	0.2	2.7	32.45	32.68
Pound Sterling	0.3	0.4	-	0.1	41.07	43.99
Hong Kong Dollar	34.7	60.8	0.9	0.8	4.14	4.18
Japanese Yen	27.4	150.0	-	-	0.29	0.29
Swiss Franc	0.5	1.4	-	-	32.92	33.41
Euro	0.4	2.4	-	-	37.13	39.03
Renminbi	3.4	-	-	-	4.72	-
Korean Won	0.2	-	-	-	0.03	-
Vietnamese Dong	10.2	-	-	-	0.14	-

Foreign currencies	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	8.6	16.4	-	0.5	32.45	32.68
Pound Sterling	0.3	0.3	-	0.1	41.07	43.99
Hong Kong Dollar	33.2	58.4	-	0.6	4.14	4.18
Japanese Yen	18.3	144.9	-	-	0.29	0.29
Swiss Franc	0.5	1.4	-	-	32.92	33.41
Euro	0.4	2.3	-	-	37.13	39.03
Renminbi	3.2	-	-	-	4.72	-

Forward contracts outstanding as at 31 December 2018 and 2017 are summarised below.

Consolidated financial statements				
As at 31 December 2018				
Currencies		Amount		Contractual exchange rate
The Company and its subsidiary buy	The Company and its subsidiary sell	The Company and its subsidiary buy	The Company and its subsidiary sell	
		(Million)	(Million)	
Baht	US Dollar	955.4	29.4	31.47 - 33.11 Baht per 1 US Dollar
Baht	Hong Kong Dollar	36.0	8.6	4.17 - 4.21 Baht per 1 Hong Kong Dollar
Baht	Euro	18.7	0.5	37.36 - 38.27 Baht per 1 Euro
Baht	Japanese Yen	15.0	50.5	0.29 - 0.30 Baht per 1 Japanese Yen
Baht	Pound Sterling	10.6	0.3	41.32 - 43.15 Baht per 1 Pound Sterling

As at 31 December 2018, the Company entered into forward contracts to sell USD 8.4 million, EUR 0.6 million and GBP 0.2 million to reduce the foreign currency risk in respect of investments in foreign currencies for the Company's portfolio. The remaining are the forward contracts which a subsidiary entered into in order to reduce the foreign currency risk in respect of investments in foreign currencies for the clients' portfolio. These included forward contracts to sell JPY 7.1 million, USD 1.6 million, HKD 1.6 million and GBP 0.1 million, which were on behalf of a related party.

Separate financial statements				
As at 31 December 2018				
Foreign currencies		Amount		Contractual exchange rate
The Company buys	The Company sells	The Company buys	The Company sells	
		(Million)	(Million)	
Baht	US Dollar	274.1	8.4	32.47 - 32.95 Baht per 1 US Dollar
Baht	Euro	10.7	0.3	37.36 - 37.98 Baht per 1 Euro
Baht	Pound Sterling	7.8	0.2	41.32 - 43.15 Baht per 1 Pound Sterling

As at 31 December 2018, the Company entered into forward contracts to reduce the foreign currency risk in respect of investments in foreign currencies for its portfolio.

## Consolidated financial statements

As at 31 December 2017

Currencies		Amount		Contractual exchange rate
The Company and its subsidiary buy	The Company and its subsidiary sell	The Company and its subsidiary buy	The Company and its subsidiary sell	
		(Million)	(Million)	
Baht	US Dollar	1,114.4	33.9	32.35 - 34.05 Baht per 1 US Dollar
Baht	Hong Kong Dollar	54.8	13.0	4.15 - 4.24 Baht per 1 Hong Kong Dollar
Baht	Euro	100.2	2.6	38.49 - 39.61 Baht per 1 Euro
Baht	Japanese Yen	90.0	300.3	0.29 - 0.32 Baht per 1 Japanese Yen
Baht	Pound Sterling	6.3	0.1	43.41 - 43.51 Baht per 1 Pound Sterling
Pound Sterling	Baht	0.04	1.9	0.02 Pound Sterling per 1 Baht
Hong Kong Dollar	Baht	0.2	0.6	0.24 Hong Kong Dollar per 1 Baht
US Dollar	Baht	0.1	3.3	0.03 US Dollar per 1 Baht
Pound Sterling	US Dollar	0.1	0.1	0.74 Pound Sterling per 1 US Dollar

As at 31 December 2017, the Company entered into forward contracts to sell USD 17.6 million, EUR 2.4 million, JPY 141.8 million and GBP 0.1 million and forward contracts to buy GBP 0.1 million to reduce the foreign currency risk in respect of investments in foreign currencies for the Company's portfolio. The remaining are the forward contracts which a subsidiary entered into in order to reduce the foreign currency risk in respect of investments in foreign currencies for the clients' portfolio. These included forward contracts to sell JPY 31.2 million, USD 5.2 million, HKD 0.5 million and EUR 0.1 million and forward contracts to buy GBP 0.04 million which were on behalf of a related party.

## Separate financial statements

As at 31 December 2017

Foreign currencies		Amount		Contractual exchange rate
The Company buys	The Company sells	The Company buys	The Company sells	
		(Million)	(Million)	
Baht	US Dollar	578.1	17.5	32.35 - 33.48 Baht per 1 US Dollar
Baht	Euro	92.1	2.4	38.49 - 39.34 Baht per 1 Euro
Baht	Japanese Yen	41.2	141.8	0.29 - 0.30 Baht per 1 Japanese Yen
Baht	Pound Sterling	6.3	0.1	43.41 - 43.51 Baht per 1 Pound Sterling
Pound Sterling	US Dollar	0.1	0.1	0.74 Pound Sterling per 1 US Dollar

As at 31 December 2017, the Company entered into forward contracts to reduce the foreign currency risk in respect of investments in foreign currencies for its portfolio.

## Financial derivatives instruments

As of 31 December 2018 and 2017, the fair values of financial derivatives which are the subsidiary's commitments as presented in the subsidiary's accounts are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2018				
Remaining period before maturity date				
	1 - 6 months	6 months - 1 year	Over 1 year	Total
Single Stock Futures				
Long position	1,870	-	-	1,870
Short position	410,251	-	-	410,251
SET 50 Futures				
Long position	6,467	-	-	6,467
Short position	2,503	-	-	2,503
	421,091	-	-	421,091

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2017				
Remaining period before maturity date				
	1 - 6 months	6 months - 1 year	Over 1 year	Total
Single Stock Futures				
Long position	15,532	-	-	15,532
Short position	803,025	-	-	803,025
SET 50 Futures				
Long position	31,668	-	-	31,668
Short position	2,036	-	-	2,036
	852,261	-	-	852,261

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2017				
Remaining period before maturity date				
	1 - 6 months	6 months - 1 year	Over 1 year	Total
SET 50 Futures				
Long position	7,917	-	-	7,917
	7,917	-	-	7,917

Fair value of financial derivatives instruments was measured at fair value using Level 1 input.



### Market risk

Factors of political and economic issues both internally and externally have an impact on the capital market conditions. Especially, the volatility of price movement affects on the gain or loss on the investment. Diversifying portfolios, after studying available information and analytical research could ease some investment risks.

### 37.2 Fair value of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, securities purchased under resale agreements, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, accrued fees and service income from asset management business, other receivables, short-term borrowings from financial institutions, securities sold under repurchase agreements, payables to Clearing House and broker - dealers, securities and derivatives business payables, accrued fees and service expenses from asset management business, other payables and short-term borrowings, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments in debt securities, their fair values are generally derived from quoted market prices, or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For marketable equity securities, warrants and derivative warrants, their fair values are generally derived from quoted market prices. For non-marketable equity securities, their fair values are based on generally accepted pricing models.
- d) For other derivatives, their fair values have been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, forward exchange rates. The Company and its subsidiary considered counterparty credit risk when determining the fair value of derivatives.

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

### 37.3 Reconciliation of recurring fair value measurements, of assets and liabilities, categorised within Level 3 of the fair value hierarchy

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
	Available-for-sale securities - Unit trusts
Balance as of 1 January 2018	30,532
Gain recognised into other comprehensive income	(2,958)
Balance as of 31 December 2018	27,574

### 38. Capital management

The primary objectives of the Company's and its subsidiaries' capital management is to ensure that they have appropriate financial structure, to preserve the ability to continue their business as a going concern and to maintain net capital adequacy in accordance with the Notifications of the Office of the Securities and Exchange Commission. As at 31 December 2018, the Group's debt-to-equity ratio was 0.38:1 (2017: 1.34:1) and the Company's was 0.57:1 (2017: 0.72:1).

### 39. Events after the reporting period

- 39.1 On 15 February 2019, the Board of Directors of Asset Plus Management Co., Ltd. (a subsidiary) passed a resolution to propose that the Annual General Meeting of a subsidiary's shareholders to consider the payment of a dividend for the year 2018. However, since the Board of Directors of a subsidiary previously approved an interim dividend from profit of end of June 2018 amounting to Baht 2.45 per share, the Board of the subsidiary will propose the remaining dividend payment of Baht 1.45 per share, or a total of Baht 29 million, amounting to Baht 78 million. The dividend payment of Baht 29 million will be paid on 26 March 2019.
- 39.2 On 27 February 2019, the Board of Directors of Asia Plus Securities Co., Ltd. (a subsidiary) passed a resolution to propose that the Annual General Meeting of a subsidiary's shareholders to consider the payment of a dividend for the year 2018. However, since the Board of Directors of a subsidiary previously approved an interim dividend from profit of end of June 2018 amounting to Baht 0.54 per share, the Board of the subsidiary will propose the remaining dividend payment of Baht 0.19 per share, or a total of Baht 85.5 million, amounting to Baht 328.5 million. The dividend payment of Baht 85.5 million will be paid on 1 April 2019.
- 39.3 On 27 February 2019, the Board of Directors of the Company passed a resolution to propose that the Annual General Meeting of shareholders to consider the payment of a dividend for the year 2018. However, since the Board of Directors of the Company previously approved an interim dividend from profit of end of June 2018 amounting to Baht 0.1 per share, the Board of the Company will propose the remaining dividend payment of Baht 0.1 per share, or a total of Baht 210.6 million, amounting to Baht 421.1 million. The dividend payment of Baht 210.6 million will be paid on 13 May 2019.

### 40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.





# BESPOKE

FINANCIAL SOLUTIONS

# Branches

## Asia Plus Group Holdings Public Company Limited (Core Company)

### Bangkok Branches

Branches	Address	Telephone	Facsimile
<b>Head Office</b>	3/1 Fl., Sathorn City Tower, 175 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120	0 2285 1666, 0 2285 1888, 0 2680 1111	0 2285 1901
<b>Phapphachai</b>	1 Fl., Phapphachai Building 2, 9/1 Sua Pa Road, Pom Prap, Pom Prap Sattru Phai, Bangkok 10100	0 2623 1520-26	0 2623 1539, 0 2623 1578, 0 2623 1597, 0 2623 1551, 0 2623 2876, 0 2623 1575
<b>Emporium</b>	10/4 Fl., Emporium Tower, 622 Sukhumvit 24 Road, Khlong Tan, Khlong Toei, Bangkok 10110	0 2664 8999	0 2664 9799
<b>Ngamwongwan</b>	Room 12/1,12 Fl., The Mall Shopping Centre (Ngamwongwan), 30/39-50, 639 Moo 2, Ngamwongwan Road, Bang Khen, Mueang Nonthaburi, Nonthaburi 11000	0 2550 0955	0 2550 0966
<b>Lat Phrao</b>	Room 1213, 1214, 12 Fl., Central Plaza Lat Phrao, 1693 Phahonyothin Road, Chatuchak, Chatuchak , Bangkok 10900	0 2937 0295, 0 2937 0455	0 2937 0315, 0 2937 0465
<b>Siam</b>	Unit B2, 10 Fl., Siam Tower, 989 Rama I Road, Pathum Wan, Pathum Wan, Bangkok 10330	0 2670 9999, 0 2263 8499	0 2670 9995-97

### Provincial Branches

Branches	Address	Telephone	Facsimile
<b>Khon Kaen</b>	4 Fl., BBL Na-Mueang Road Branch Building, 680/12 Na-Mueang Road, Nai Mueang, Mueang Khon Kaen, Khon Kaen 40000	0 4332 2101-04	0 4332 2120 0 4332 2105
<b>Chanthaburi</b>	4 Fl., BBL Tha-Chalaep Road Branch Building, 197 Tha-Chalaep Road, Talat, Mueang Chanthaburi, Chanthaburi 22000	0 3932 2135-38	0 3935 1636

## Provincial Branches (continued)

Branches	Address	Telephone	Facsimile
<b>Surat Thani</b>	4 Fl., BBL Chon Kasem Road Branch Building, 337/20 Chon Kasem Road, Talat, Mueang Surat Thani, Surat Thani 84000	0 7728 3631-33, 0 7721 6500	0 7721 6522
<b>Si Racha</b>	7 Fl., BBL Si Racha Branch Building, 98 Sukhumvit Road, Si Racha, Siracha, Chonburi 20110	0 3832 2755	0 3877 1426
<b>Chiang Mai</b>	164/44-45 Chang Klan Road, Chang Khlan, Mueang Chiang Mai, Chiang Mai, 50100	0 5327 3716-20	0 5327 3714
<b>Hat Yai</b>	7 Fl., BBL Hat Yai Branch Building, 39 Niphat U-thit 2 Road, Hat Yai, Hat Yai, Songkhla 90110	0 7426 2000	0 7426 2009
<b>Phitsanulok</b>	3 Fl., BBL Phitsanulok Branch Building, 262/24 Baromtriloknart Road, Nai Mueang, Mueang Phitsanulok, Phitsanulok 65000	0 5521 7833-37	0 5521 7851
<b>Udon Thani</b>	3 Fl., BBL Phosi Road Branch Building, 227 Phosi Road, Mark Kheng, Mueang Udon Thani, Udon Thani 41000	0 4232 6999, 0 4221 1411	0 4232 6995
<b>Chiang Rai</b>	3 Fl., BBL Ha Yaek Phokhun Mengrai Branch Building, 866/18 Super Highway (Asia Routh1) Road, Wieng, Mueang Chiang Rai, Chiang Rai 57000	0 5360 7888	0 5371 9575
<b>Lampang</b>	219-221 Highway Lampang - Ngao Road, Suandok, Mueang Lampang, Lampang 52100	0 5420 9471-75	0 5420 9470
<b>Pattaya</b>	M Floor, MOOKS Residence & Offices, 222/99 Moo 9, Chalermpraiat Road, Nong Prue, Bang Lamung, Chonburi, 20150	0 3841 2400-05	0 3841 2405
<b>Nakhon Sawan</b>	3 Fl., BBL Nakhon Sawan Branch Building, 154/1 Sawanwithi Road, Pak Nam Pho, Mueang Nakhon Sawan, Nakhon Sawan 60000	0 5631 2412 0 5622 7966	0 5631 2420





บริษัท เอเชีย พลัส กรุ๊ป โฮลดิ้งส์ จำกัด (มหาชน)

เลขที่ 175 ชั้น 3/1 อาคารสารชิตีทาวเวอร์ ถนนสาทรใต้  
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