



2014

Partnership
for Success

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Letter to Shareholders

Dear Shareholders,

I am pleased to present KGI Securities (Thailand)'s financial results and annual report for 2014.

During 2014 KGI again performed well despite continued competition and market volatility. For the full year 2014, KGI achieved an audited consolidated profits of Baht 761 million, which is equivalent to Earnings Per Share of Baht 0.38. The Board of Directors has approved a dividend of Baht 0.365 per share. The dividend will be proposed to the annual general meeting of shareholders on 9th April for approval and is expected to be paid on 7th May 2015.



*Mr. Foong Hock Meng
Chairman*



*Mr. Wei Chang Fang
Chief Operating Officer*

Global economy

In 2014 the global economy continued its moderate growth trend. According to the IMF, global GDP increased by an estimated 3.3% in 2014. The global growth rate is currently expected to be slightly higher in 2015 although the IMF has recently revised downwards its forecast for global GDP growth for this year to 3.5%. Recent volatility in commodities markets and especially in the oil price mean that this year's growth rate may be more difficult to predict than usual.

The US continued its recovery in 2014 and looks well placed to see further growth in 2015. In Europe, low interest rates have yet to create convincing sustainable growth in economic activity. The European Central Bank has hinted at further quantitative easing, whilst uncertainty about the future of economically weaker EU members, such as Greece, continues to overhang markets. Meanwhile in Asia, China remains the fastest growing large economy and the driving force for Asian economies. However, China's growth rate is slowing and this trend is likely to continue for the foreseeable future.

Thailand

In the first half of 2014, Thailand was again affected by political upheaval. In May the Thai Army launched a Coup d'état and took control of the government. Following the coup, political stability has improved and work is underway to produce a new permanent Constitution, with elections expected to be called in 2016.

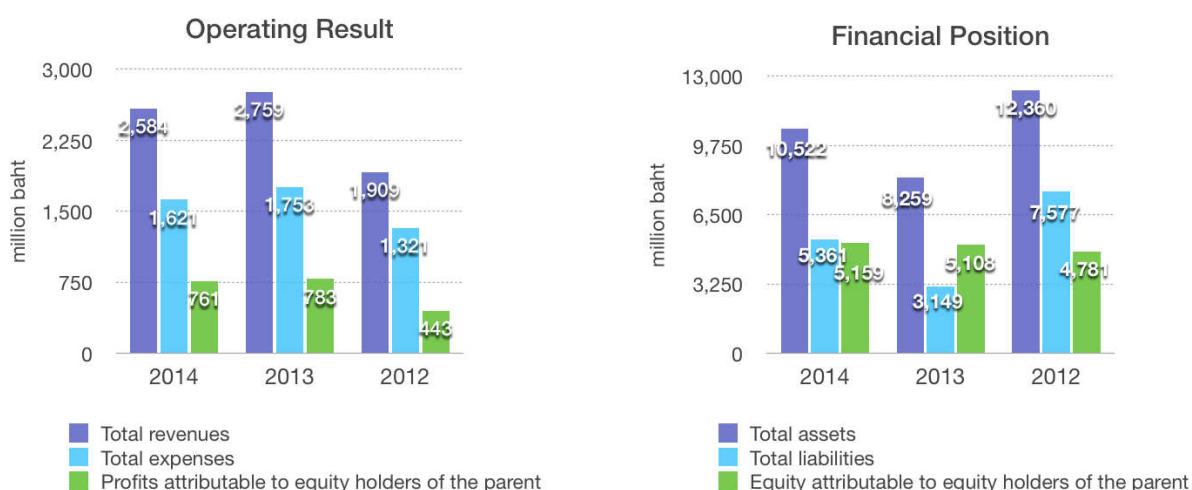
Thailand's economy grew only modestly in 2014 with the Bank of Thailand estimating that GDP growth for the whole of 2014 was just 0.8% due to low domestic demand, especially private consumption. GDP growth is forecast to accelerate in 2015, given the improved political stability, growing consumer confidence, and initial spending on major infrastructure projects. The Bank of Thailand expects Thai GDP to grow by 4.0% this year.

Given Thailand's political uncertainty and only modest economic growth during 2014, the Thai stock market performed well. The SET index ended the year at 1,497.67 points representing an increase of 15.32% for the whole of 2014.

KGI Securities (Thailand)

During 2014 KGI's brokerage business improved its performance, increasing its market share and overall broker ranking. Market share increased from 4.04% in 2013 to 4.28% in 2014 and overall broker ranking improved from 11th out of 33 brokers in 2013 to 7th out of 34 brokers in 2014. However, the intense competition within the industry means that average commission rates declined in 2014, as they did in 2013, and continue to remain under pressure.

Our Equity Derivatives business is an innovative market leader in Thailand. We remained one of the leading players in derivative warrant issuance and trading, and continued to support the growing Exchange Traded Fund or ETF market as both market maker and participating dealer. Our Proprietary Trading business unit also had another successful year and maintained its profitable performance with a diversified, low-risk strategy executed by its experienced team.



In the fixed income market, long and medium term interest rates trended lower throughout the year whilst in March the Bank of Thailand cut the policy rate by 25bp. This supported bond prices and allowed our fixed income business to produce another profitable year. Our asset management business, 1AM, launched new funds focusing on fixed income, property and equity investments, helping to provide an ever increasing range of investment opportunities for our clients and increase Assets under Management.

Dividend

In recognition of the long-term support of our shareholders we have maintained a high dividend payout ratio in recent years. Whilst we retain the flexibility to adjust this pay-out ratio if necessary, due to business or other requirements, we intend to again pay a substantial cash dividend to shareholders for 2014.

| Separate financial statements | Year 2014 | Year 2013 | Year 2012 |
|---|-----------|-----------|-----------|
| Earnings per share (Baht per share) | 0.37 | 0.36 | 0.23 |
| Dividend per share (Baht per share) | 0.365 | 0.36 | 0.23 |
| Dividend payment amount (Million Baht) | 727 | 717 | 458 |
| Dividend payout ratio compared to separate financial statements profits (%) | 99% | 99% | 99% |

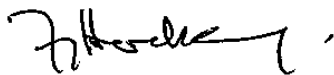
The board of directors has resolved to propose the payment of a dividend of Baht 0.365 per share, representing a dividend pay-out ratio of 99% of separate financial statements profits. The dividend will be proposed to shareholders for approval at the Annual General Meeting on 9th April 2015 and subject to approval is expected to be paid to shareholders on 7th May 2015.

Corporate Social Responsibilities

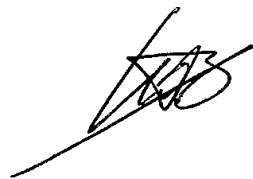
KGI believes in the importance of giving back to society and we recognize the value of education and educational opportunities for the development of Thailand's young people and of Thai society and economy in general. In 2014 KGI continued its support of a project to provide educational opportunities to poor but deserving Thai university students. From 2011 until the end of 2014, for which your Company had budgeted up to Baht 1.50 million per year, funded the further education of a total of 81 undergraduate students at 9 different universities throughout Thailand, in Bangkok, Chiang Mai, Khon Kaen, Songkhla and Narathiwat.

Employees

Finally, I would like to take this opportunity to thank all of KGI's employees for their hard work and dedication to the company throughout the year, and to thank KGI's shareholders for their continuing support of the Company.



Mr. Foong Hock Meng
Chairman



Mr. Wei Chang Fang
Chief Operating Officer

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of KGI Securities (Thailand) Public Company Limited consists of three independent directors. In 2014, the Audit Committee had five meetings and details of attendance of each director are as follows:

| Audit Committee | Position | Attendance Record / Total Meeting |
|--------------------------|---------------------------------|-----------------------------------|
| Dr. Pisit Leeahtam | Chairman of the Audit Committee | 4 / 5 |
| Dr. Don Bhasavanich | Audit Committee Member | 5 / 5 |
| Mr. Pradit Sawattananond | Audit Committee Member | 5 / 5 |

The Committee performed its duties as assigned by the Board of Directors in accordance with the Charter of the Audit Committee. These duties included reviewing of financial statements, reviewing of the Company's internal control, reviewing of the Company's compliance with the Securities and Exchange Act, reviewing of the related party transactions, monitoring of risk management, as well as proposing the appointment of the auditors and the auditing fee. The duties are summarized as follows:

1. Reviewing of financial statements

The Audit Committee reviewed the quarterly and yearly financial statements for the year 2014 of the Company and its subsidiaries with the Head of Finance and Accounting Department, Audit Department, and the external auditors, without the top management of the Company in attendance. The Audit Committee also consulted with the external auditors regarding the significant issues and the disclosure of notes to financial statements.

The Audit Committee agreed that the financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries for year ended 31st December 2014 were accuracy and adequacy adhering to the general accepted accounting principles and in accordance to the law and related regulations.

2. Reviewing of internal control

The Audit Committee monitored and reviewed the annual audit plan of the Company and its implementation along with considering on the quarterly and annual reports of the Audit Department for the year 2014. In addition, the Audit Committee assessed the Self Assessment Questionnaire on Adequacy of Internal Control System of the Company along with control environment, risk management, control activities, information and communication, and monitoring activities. The assessment result for the year 2014, the Audit Committee regarded that the Company has an adequate internal control system appropriate for its businesses.

3. Reviewing of Company's compliance with Securities and Exchange Act

The Audit Committee monitored and reviewed the Company's compliance with Securities and Exchange Act along with considering the quarterly and annual reports for the year 2014 of the Legal and Compliance Department. In 2014, the Audit Committee agreed that the Company closely controlled and audited the performance of its units to ensure that they worked appropriately and complied with the related rules.

4. Reviewing of related party transactions

In 2014, the Audit Committee reviewed the Company's related party transactions, the transactions with general business terms which were approved in principle by the Board. For the other related transactions, the Audit Committee has considered and agreed that these transactions were necessary and reasonable and served the most benefit of the Company, including disclosing all significant information complying with SEC and SET regulations.

5. Monitoring of risk management

In 2014, the Audit Committee monitored the risk management practices and assessed the adequacy and effectiveness of the risk management system to ensure that the Company has efficient risk management control. These risks include Credit Risk, Market Risk, and Operational Risk.

6. Revision of the Audit Committee Charter

In the case where it was considered to be necessary and appropriate, the Audit Committee was able to revise its Charter and proposed amendments to the Company's Board of Directors for consideration and approval. These included the Audit Committee's authority, scope of work duties, and meetings to be in line with the principles of good corporate governance, as well as the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. In 2014, the Audit Committee has reviewed the Audit Committee Charter and agreed that it is up-to-date and appropriate to the Company's environment.

7. Anti-Corruption

In 2014, the Audit Committee has reviewed the Policies and Guidelines to prevent and combat corruption and also reviewed the Self - Evaluation Tool for Countering Bribery. The Board has approved such policy and the Self - Evaluation, and has authorized the Company to send the completed Self - Evaluation Tool to the Private Sector Collective Action Coalition Against Corruption ("CAC") Committee for the certification process. And the Company has received the certificate from CAC on 16th January 2015.

8. Appointment of the external auditor and auditing fee for 2015

The Audit Committee considered the performance of the Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd in the past year, and agreed that the Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd and its auditor has expertise in the auditing of financial businesses including suggestions and consultation on accounting, tax and internal control.

The Audit Committee proposed to the Board of Directors, to propose to the shareholders' meeting, to consider and approve the appointment of the following auditors of the Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to be the Company's auditor for the 2015 accounting period. The Audit Committee also proposed to consider and approve the auditing fee for 2015 of Baht 1,740,000, which is the same as previous year. The Audit Committee is of the opinion that the audit fee for 2015 that Auditor proposed is appropriate for the type and size of business of the Company.

| Auditor's Name | Certified Public Account Number | Number of years he has been the Company's Auditor |
|-----------------------------|---------------------------------|---|
| Mr. Chavala Tienpasertkij | 4301 | 1 Year (Year 2014) |
| Dr. Suphamit Techamontrikul | 3356 | 1 Year (Year 2014) |
| Mr. Niti Jungnitnirundr | 3809 | 1 Year (Year 2014) |

9. Self Assessment

The Audit Committee members performed a self assessment comparing with compliance guideline. The evaluation of the year 2014 revealed that the Audit Committee's performance completely fulfilled its Charter and complied with good principles, enhancing good corporate governance effectively.

Respectfully,



(Dr. Pisit Leeahtam)

Chairman of Audit Committee

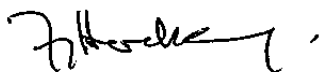
Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of KGI Securities (Thailand) Public Company Limited is responsible for the financial statements and financial reports of the Company as presented on its annual report for the year 2012. The financial statements and financial reports of the Company were prepared in compliance with generally accepted accounting principles, with due care and carefulness. The Company has provided sufficient disclosure of important information in the notes to financial statements for the benefit of shareholders and general investors.

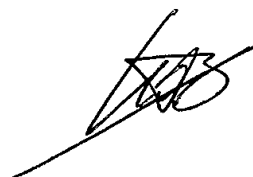
For the purpose of preparing reliable and accurate financial statements and information, the Board of Directors set up a risk management and internal control system to ensure accurate, complete and sufficient recording of accounting data for the purpose of asset custody and prevention of any fraud and unusual activities. As well, the Company set up an Audit Committee to review its accounting policies, sufficiency of the internal control system, auditing and disclosure of financial data to ensure accurate, reliable and reasonable data regarding its financial status, results of operations, and cash flows.

The Company's financial statements were audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. In auditing, the Company's financial statements, the Board of Directors and the management provided data and documents necessary for the auditor to perform auditing tasks and provide the opinion in accordance with applicable auditing standards. The auditor's opinion already appears on the Company's annual report.

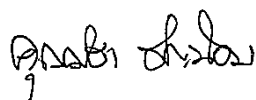
It is the Board of Directors' opinion that the financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries for the year ended 31st December 2014 are prepared in line with generally accepted accounting principles and relevant rules and regulations.



Mr. Foong Hock Meng
Chairman of the Board



Mr. Wei Chang Fang
Chief Operating Officer



Ms. Khunmira Thunnom
Executive Vice President
Finance & Accounting Department

PART 1 THE COMPANY'S BUSINESS

1. Policy and Overview of the Company's business

KGI Securities (Thailand) Public Company Limited (“the Company”) was incorporated as a public limited company under the Public Limited Companies Act. Whereby it has been operating securities businesses and has been licensed and approved by the Office of the Securities and Exchange Commission (“SEC”) to operate the following businesses.

- (a) Securities brokerage
- (b) Securities dealing
- (c) Investment advisory
- (d) Securities underwriting
- (e) Securities borrowing and lending
- (f) Securities registrar
- (g) Derivatives brokerage
- (h) Financial advisory
- (i) Over-the-Counter (OTC) derivative business and
- (j) Sales agent in investment units of mutual funds in the areas as specified by the SEC.

In addition, the Company has investments in 3 subsidiaries, as described in section 1.3 of this 2014 Annual Report.

The Company's head office is located on the 8th -11th floors of Asia Centre Building, No. 173 South Sathorn Road, Thungmahamek Sub-district, Sathorn District, Bangkok 10120. As at 31st December 2014, the Company has altogether 17 branches, in Bangkok and other provinces.

| Bangkok | Provincial | |
|-------------------------|-----------------------------|-----------------------------|
| 1) Pin Klao Branch | 1) Hat Yai Branch | 7) Chiang Rai Branch |
| 2) Changwattana Branch | 2) Nakhon Ratchasima Branch | 8) Phetchaburi Branch |
| 3) Thapra Branch | 3) Samut Sakhon Branch | 9) Udon Thani Branch |
| 4) Silom Center Branch | 4) Suphan Buri Branch | 10) Nakhon Pathom 2 Branch |
| 5) Silom Complex Branch | 5) Nakhon Sawan Branch | 11) Udon Thani Cyber Branch |
| 6) Pracha Chuen Branch | 6) Nakhon Pathom 1 Branch | |

The Company is recognized as one of the leaders in innovation in the development of financial products, giving more alternatives to clients. The Company's developments were as follows:

- The first securities company acting as a principal and agent of SBL services
- The first securities company providing OTC Derivatives services
- The first and only securities company acting as Market Maker and Participating Dealer of ThaiDEX SET50 ETF (TDEX), Thailand's first Equity ETF
- The first securities company to launch Derivative Warrant in Thailand
- The first securities company providing Private Repo

1.1 Policy of the Company's business

Vision

All the actions of the Company are rooted in the principles of integrity and honesty, which are the guiding principles of our professional workforce. Providing the very best in financial management and advice is the Company's vocation and duty. At the same time, as a responsible corporate citizen, the Company has made it a policy to share the fruits of its success with all of its employees, shareholders and clients, while also making substantial contributions to society.

Objective

The objective of the Company is to engage in securities and other financial businesses, and to offer the highest level of service to its clients and to effectively advise and assist in managing clients' assets whilst always acting in an ethical and positive way.

Goal

The company's goal is to offer a full range of financial services and to be a leader in innovation and in new product development. The Company also aims to diversify its income in order to provide earnings stability and to operate successfully in all conditions.

Strategy

- ☛ To expand and diversify its client base, both local and foreign.
- ☛ To develop new and innovative products and financial services covering the full range of client needs.
- ☛ To train and educate the Company's employees and clients about all new products.
- ☛ To deliver excellent service and to build strong relationships between employees and clients.
- ☛ To constantly adapt to changing markets and conditions.

AWARDS AND ACHIEVEMENT

> TFEX BEST AWARD

2557 / 2014

Most Active House
Prop-Trading of the Year (1st place)
Best Market Maker for Equity Product

2556 / 2013

Most Active House
Prop-Trading of the Year (1st place)
Best Market Maker for Equity Product
Agent of the Year (3rd place)

2553 / 2010

Most Active House

2549 / 2006

Best House of the Year
Most Active House

> TFEX SET50 FUTURES AWARDS 2014

2557 / 2014

TFEX SET50 Futures Awards

> TFEX PROP-TRADING CHAMPION

2555 / 2012

Most Growth Champion Award

2554 / 2011

Most Growth Trader Award
TFEX Best Trader

> FUTURES NETWORKING FORUM

2549 / 2006

Top Star Most Active

> THAI BMA AWARDS

2556 / 2013

Best Bond Securities Firm

2555 / 2012

Best Bond Securities Firm

2553 / 2010

Best Bond Securities Firm

2552 / 2009

Best Bond Securities Firm

2550 / 2007

Best Bond Securities Firm

> THE ASSET BENCHMARK SURVEY

2549 / 2006

Best Corporate Bond House (Thailand Baht)

> SET CONGRATULATIONS

2552 / 2009

The Company became the first securities company in Thailand to launch Derivative Warrants (DW).

> SET AWARDS

2557 / 2014

Outstanding Derivatives House Awards

2548 / 2005

MAI Newly Listed STAR (Financial Advisor)

1.2 Significant Development

The Company was found as the name of “The Goldhill Securities Company Limited” on 7th March 1975 with register no. 212/1975 and had three licenses; securities broker, securities dealer, and investment advisory. In 1986, Thai Farmers Bank Public Company Limited, Finance One Public Company Limited, and a group of major shareholders of Finance One Public Company Limited acquired Goldhill Securities Company Limited and changed its name to “Securities One Company Limited.” on 15th February 1988.

The Company registered as a public company with registered number 0107536000293 (formerly number Bor Mor Jor 103) and changed its name to “Securities One Public Company Limited.” on 6th May 1993.

In 1998, KGI Group became the major shareholder of the Company and changed its name to “KGI Securities One Public Company Limited” on 12th July 1999. Last, the Company changed its name to “KGI Securities (Thailand) Public Company Limited” on 25th May 2001. As of 31st December 2014, the Company has registered capital (issued and fully paid - up) of Baht 1,991,763,130, comprised of 1,991,763,130 ordinary shares of Baht 1.00 each.

Significant Developments in 2014

| | |
|---------------|--|
| July 2014 | TRIS Rating affirms the company rating of the Company at “BBB+” with the Rating Outlook is “stable” |
| August 2014 | The company opened its 16 th branch, Prachachuen Branch |
| October 2014 | The company opened its 17 th branch, Udon Thani Cyber Branch |
| November 2014 | Ms. Suchada Sodthibhaphkul, Managing Director, has retired from the Company effective on 1 st November 2014. However, Ms. Suchada Sodthibhaphkul will continue to be an Authorized Director of the Company. And the Company approved the appointment of Ms. Suchada Sodthibhaphkul, Authorized Director, as the Executive Director of the Company for period November 2014 - October 2015 |
| November 2014 | The Company funded the “KGI Scholarship Project” year 4 to help needy undergraduate students. From 2011 until the end of 2014, the Company provided 81 KGI scholarships at 9 universities. The total value of the scholarships is approximately Baht 4.28 million. |
| November 2014 | The Company got "Outstanding Derivatives House Award" from SET Awards 2014. |
| December 2014 | The Company got 3 awards “Most Active House”, “Prop-Trading of the Year” and “Market Maker Best Performance (Equity Product)” from TFEX Best Award 2014. |
| January 2015 | The Company has been certified by the Collective Action Coalition (CAC) as CAC’s certified members. |
| January 2015 | The Company was appointed as one of a Market Maker of SET50 Options |

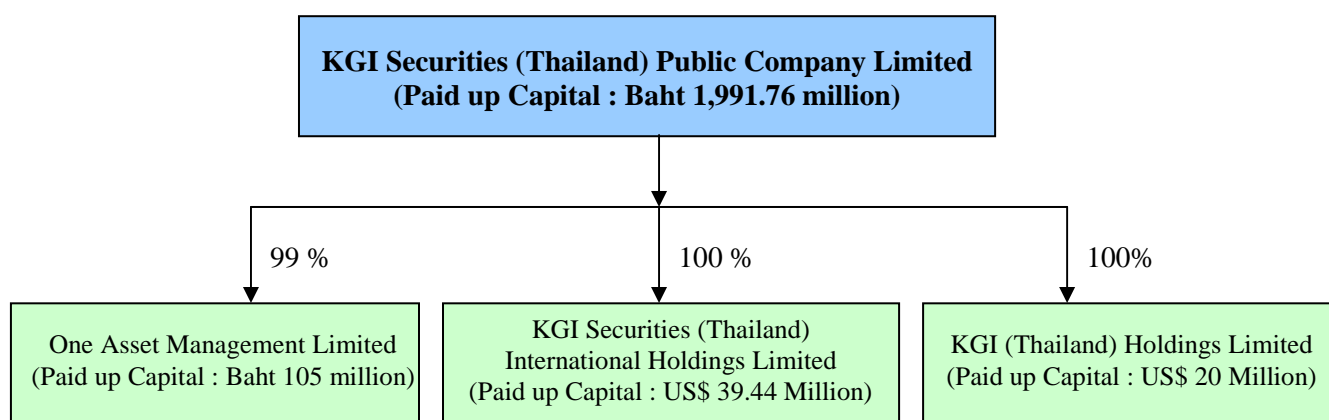
1.3 The Company’s Shareholding Structure

The Company has investments in 3 subsidiaries, One Asset Management Limited (“ONEAM”), which is one of the leaders in Thailand’s asset management market. And two offshore subsidiaries, which are KGI Securities (Thailand) International Holdings Limited (“HOLDCO”) and KGI (Thailand) Holdings Limited (“KTHL”). The purpose of these offshore subsidiaries is to explore opportunities to invest oversea in future.

In 2014 the Company’s total revenues of Baht 2,583.64 million, of which contribution from ONEAM accounted for 14.76%, and that from KTHL 0.03%. The Company’s Shareholding Structure are as follows:

| Subsidiaries As of 31 st December 2014 | Country of Incorporation | Business Type | % holding | Revenues as a percentage to the consolidated totals (%) |
|---|-----------------------------|-----------------|-----------|--|
| One Asset Management Limited ("ONEAM") | Thailand | Fund Management | 99 | 14.76% |
| KGI Securities (Thailand) International Holdings Limited ("HOLDCO") | Hong Kong | Investment | 100 | - |
| KGI (Thailand) Holdings Limited ("KTHL") | British Virgin Islands | Investment | 100 | 0.03% |

Shareholding Structure of the group



The Company's subsidiaries information

A. One Asset Management Limited ("ONEAM")

One Asset Management Limited ("ONEAM") was established on 19th March, 1992 with registered capital of Baht 100 million (fully paid-up). As of 31st December 2014, ONEAM has its registered capital of Baht 105 million (fully paid-up) with KGI Securities (Thailand) Public Company Limited holding 99%, ONEAM's directors and employees holding 1% of outstanding shares.

ONEAM offers many types of funds to provide its clients with investment alternatives to suit their diversified investment requirements. The mutual funds under ONEAM are as follows:

1. Equity Fund
2. Fixed Income Fund
3. Mixed Fund
4. Retirement Mutual Fund
5. Long Term Equity Fund
6. Foreign Investment Fund
7. Country Fund
8. Property Fund

B. KGI Securities (Thailand) International Holdings Limited ("HOLDCO")

Formerly known as "KGI Securities One International Holdings Limited", a wholly owned offshore subsidiary established in Hong Kong. Its name was changed to "KGI Securities (Thailand) International Holdings Limited ("HOLDCO")" on 7th December, 2001. The purpose of the subsidiary is to explore for opportunities to invest overseas in future.

C. KGI (Thailand) Holdings Limited ("KTHL")

KGI (Thailand) Holdings Limited ("KTHL"), a wholly owned offshore subsidiary established in British Virgin Islands. The purpose of the subsidiary is to explore for opportunities to invest overseas in future.

Policy for group operations

The Company and its subsidiaries have hired professional managers and the Company also appointed persons to be directors for setting policies of its subsidiaries to ensure the implementation of the various group companies effectively.

1.4 Relationship with a business group of major shareholder.

RICHPOINT COMPANY LIMITED (100% owned by KGI Securities Company Limited, Taiwan), is the Company's major shareholder, owning approximately 35% of the Company's shares as of 14th March 2014 (the registration close book date).

KGI Securities Company Limited, Taiwan ("KGI TW") is a market leading securities company in Taiwan, providing services in a range of areas including brokerage, proprietary trading, underwriting, fixed income, and a variety of derivatives. KGI TW has expanded into the Asia-Pacific, Hong Kong and Thailand markets.

KGI TW has provided valuable assistance to the Company via transfer of knowledge and technology. KGI TW has sent expert staff to train the Company's employees for the launch of new products. The Company is recognized as one of the leaders in innovation in the development of derivatives products in Thailand

The Company appointed 4 independent directors which are one-third of all directors, following the SEC's regulations to ensure the operations of the company meet the standards and move in the right direction and to protect the shareholders' rights and for the best interest of all shareholders.

2. Business Lines

Income Structure

The majority of the operations of the Company and its subsidiaries involve the single business segment of securities related business, including mutual fund management, and are carried on in Thailand. The Company's financial statements show its income from brokerage fees, fees and service income, gain (loss) on securities, gain (loss) on derivatives, interest and dividends, interest on margin loans and other income.

In 2014, the Company reported total revenues of Baht 2,583.64 million. The elements of the Company's securities income structure were a) 41.96% from brokerage fees, b) 28.24% from gain on securities and derivatives, c) 15.72% from fee and service income, d) 10.17% from interest and dividends, e) 3.45% from interest on margin loans and d) others income 0.46%

Comparative Income Structure for the past 3 years

| Income Structure | Operated By | % Share Holding by the Company | 2014 (Baht Million) | % | 2013 (Baht Million) | % | 2012 (Baht Million) | % |
|---|---------------------|--------------------------------|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| 1. Brokerage fee | The Company | - | 1,084.14 | 41.96% | 1,241.24 | 44.99% | 819.62 | 42.94% |
| 2. Fees and services income ^{/1} | The Company | - | 38.11 | 1.48% | 113.20 | 4.10% | 31.83 | 1.67% |
| Fees and services income ^{/1} | ONEAM ^{/2} | 99% | 367.99 | 14.24% | 328.84 | 11.92% | 251.45 | 13.18% |
| 3. Gain on securities and derivatives | The Company | - | 728.92 | 28.21% | 711.77 | 25.80% | 451.57 | 23.66% |
| Gain on securities | KTHL ^{/3} | 100% | 0.74 | 0.03% | - | - | 15.26 | 0.80% |
| 4. Interest and dividends | The Company | - | 257.76 | 9.98% | 265.75 | 9.64% | 254.55 | 13.34% |
| Interest and dividends | ONEAM ^{/2} | 99% | 4.84 | 0.19% | 4.77 | 0.17% | 4.64 | 0.24% |
| 5. Interest on margin loans | The Company | - | 89.19 | 3.45% | 90.38 | 3.28% | 71.19 | 3.73% |
| 6. Other income | The Company | - | 6.31 | 0.24% | 2.94 | 0.11% | 7.88 | 0.41% |
| Other income | ONEAM ^{/2} | 99% | 5.64 | 0.22% | (0.23) | (0.01)% | 0.56 | 0.03% |
| TOTAL INCOME | | | 2,583.64 | 100.00% | 2,758.66 | 100.00% | 1,908.56 | 100.00% |

Note /1 See note of financial statements No. 28: Fees and Services Income.

/2 ONEAM: One Asset Management Limited, 99% owned by the Company.

/3 KTHL : KGI (Thailand) Holdings Limited, 100% owned by the Company

2.1 Types of Business

2.1.1 Securities Broker Business

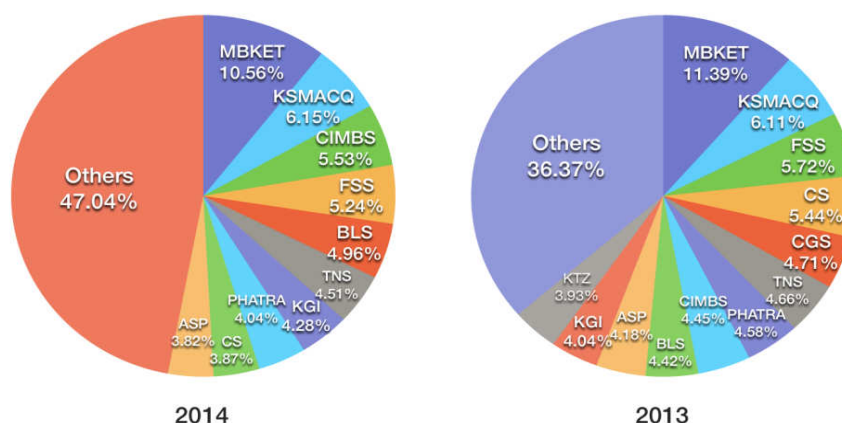
The Company, a member of the Stock Exchange of Thailand (SET Broker seat No. 13), provides broking services to both local and foreign investors and to both individual and institutional investors with cash accounts and credit balance accounts with experienced Investment Consultants responsible for securities trading service and advisory service. The company also provides quality Investment Consultants who give best service to clients.

The Company's research department produces highly respected institutional level research and analysis of Thailand's financial markets and economy. As one of Thailand's top securities houses, the research team gains considerable insight from market flow and local color to help analyze trends and market movements, providing a considerable competitive advantage to the research team for investors to make timely and accurate investment decisions.

The Company has devoted a full team of analysts, each with a narrow sectorial focus. We have been working to expand the coverage list, and it now comprises over 80% of SET's market capitalization. We follow up with frequent visits to our coverage universe (at least once a month) to closely monitor any potential changes to our view. Further enhancement comes from KGI's regional presence, especially our extensive greater China research support, which greatly expands the team's information base beyond Thailand's borders to catch trends early and provide investors with information that could have a major impact in the longer term.

In 2014, the Company ranked No.7 in terms of brokerage market share with an overall share of 4.28% compared to a ranking of 11 and 4.04% in 2013. The main reasons were an increase in the number of Investment Consultants. The Company launched the Young Professional Investment Consultant project class 4 to recruit new graduates and train them via lectures, workshops, field trips and on-the-job training to be new professional investment consultants. The company also opened 2 new branches at Prachachuen Branch and Udon Thani Cyber Branch.

The Company's brokerage market share in 2013-2014



Internet Trading (E-Business)

The Company provides internet trading services for both equity and futures. Clients can see real time information to follow price movements 24 hours a day, 7 days a week. The Company provides the high quality services which is fast and accurate. The clients can trade equity and futures via Smart phones and Tablet, so they can updates the stock prices and check their portfolios anywhere and anytime online. The commission rates for trading via internet trading is lower than trading via Investment Consultants.

Our Company aims to provide services with a high level of client satisfaction. The Company's program of securities trading via internet ("Easy Trade"), is a program to defragment information for convenience

and flexibility. Besides the provided screens, the clients can customize and create screens themselves. The Easy Trade program enables tracking of information through a variety of formats.

Should you have any inquiries or need further information, please visit our website: www.kgiworld.co.th or contact at Hotline: 02 658 8777 or email : ebs@kgi.co.th

2.1.2 Futures Business

The company has received a license to conduct futures business from Securities and Exchange Commission (SEC) and also an approval to act as a futures broker from Thailand Futures Exchange Plc. (TFEX) and the Thailand Clearing House Co., Ltd. (TCH). Also Futures trading started on 28th April 2006.

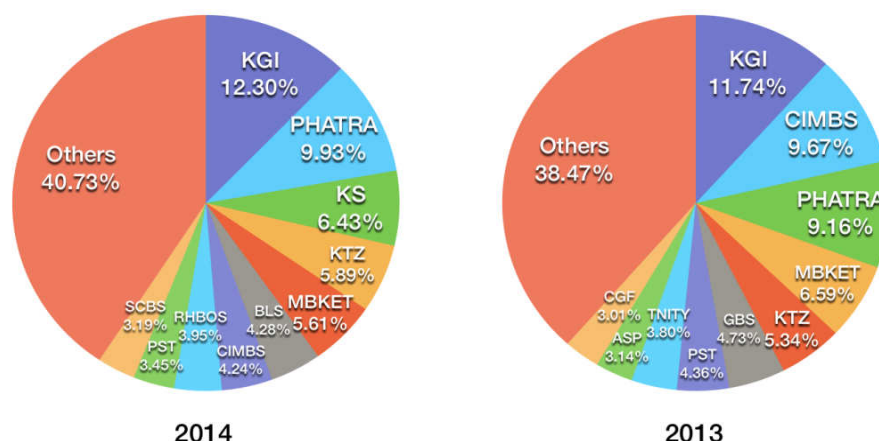
Currently, the company provides trade on the following derivative products:

- SET50 Index Futures
- SET50 Index Options
- Single Stock Futures
- Gold Futures
- Silver Futures
- Brent Crude Oil Futures
- Interest Rate Futures
- Currency Futures
- Sector Futures

Besides Futures retail brokerage business, the Company also trades futures in Proprietary Trading and furthermore acted as a Market Maker of SET50 Index Options, Gold Futures, Silver Futures, and Brent Crude Oil Futures in Thailand Futures Exchange (TFEX) and Stock Exchange of Thailand.

In 2014, the Company ranked No. 1 in derivatives trading volume with a market share of 12.30% (ranking no.1) of the TFEX market compared to 11.74% (ranking no. 1) in 2013. The Company earned three awards from TFEX Best Awards 2014; Most Active House, Prop-Trading of the Year (1st place), Market Maker Best Performance for Equity Product.

The Company's Future market share in 2013-2014



2.1.3 Securities Trading Business

The Company based proprietary traders have years of experience. Individual traders are encouraged to adopt diverse trading strategies to suit their personal trading styles. However, to guard against misjudgment that could arise from an emphasis in individualism, all proprietary trading is conducted through a highly-efficient trading platform and is overseen by a stringent risk control system. These controls have engendered a strong culture of discipline among the Company's proprietary trading and have eliminated to the highest degree possible, the potential for mistrades.

The Company's securities trading activity includes in equity securities, derivatives and fixed income. The Company's investment portfolio is one of the largest in the industry. As of 31st December 2014, the Company had investments-net of Baht 3,825.68 million, compared with Baht 1,893.90 million at the end of 2013. The Proprietary Trading Department and Fixed Income Department are responsible for stock, bond, derivatives, futures and option selection and investment allocation according to the established policy. The Risk Management Department closely tracks the departments' exposure to control the Company's overall risks.

The Company pays serious attention to conflict of interests, and the misuse of inside information. The Company regards such departments as investors; therefore, such departments have no right to receive information or research that differs from other clients of the Company.

2.1.4 Investment Advisory Business

SEC granted an approval to the Company to operate investment advisory business on 6th January 2004.

2.1.5 Financial advisory and securities underwriting Business

The SEC has granted the Company approval to operate financial advisory business under the scope specified by the SEC which covers the full range of Investment Banking Services, including fund raising, IPOs and secondary market placements, mergers and acquisitions, firm valuations, loan arrangements, debt restructuring and other advisory works. In addition, the Company provides a securities underwriting service to those companies intending to issue securities including debt, equity, and equity-linked products.

In 2014, the Company acted as co-underwriter in 9 IPOs and continued to acquire mandates as financial advisor and lead underwriter for future IPOs. These transactions are now underway. In addition, the Company also acted as financial advisor in fund raisings through both debt and equity instruments, and advised on merger and acquisition transactions for local and international companies.

With our group of experienced staff and expertise in financial engineering to structure products that suit our clients' needs and with our regional group network, KGI's investment banking team are equipped to provide a full line of products and services in both the domestic and foreign markets.

2.1.6 Securities Registrar Business

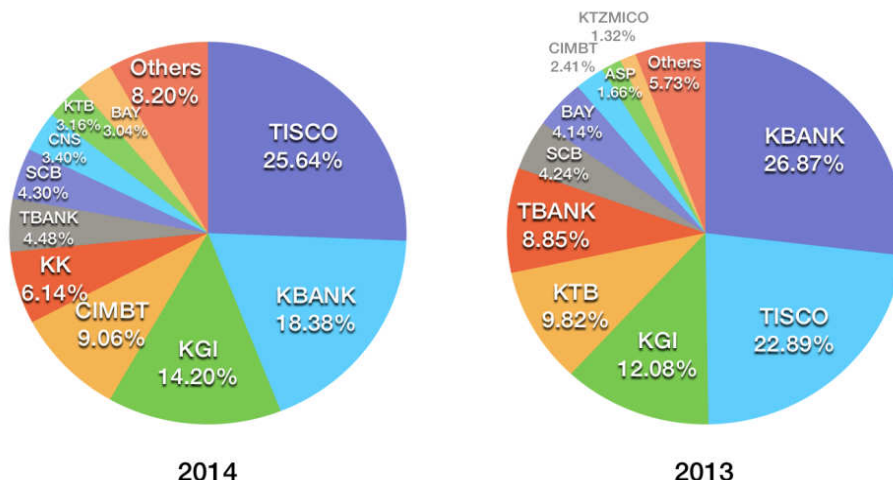
The Company received approval to conduct securities registrar business on 14th June 1994, and the Company continues to maintain its securities registrar license in order to support its derivatives products in the future.

2.1.7 Fixed Income Business

The Company is a member of Bond Electronic Exchange (BEX) and Thai Bond Market Association (ThaiBMA), and provides trading fixed income securities services to the Company's clients. Investors can open an account for fixed income trading together with opening an account for securities trading. The Company has experienced staffs that are proficient in providing services and advice that allow clients to make investment decisions in their best interest. The Company was also the only securities company to be appointed to be a government bond primary dealer (MOF Outright PD).

In 2014, the Company was ranked No. 1 in bond trading among securities dealers and ranked No. 3 in corporate bond trading value among all dealers with a market share of 14.20% compared with 12.08% in 2013.

The Company's bond trading share in 2013-2014



2.1.8 Private Repo Business

The Company, pioneered Private Repo to corporate and high net-worth clients, providing a new alternative investment. The Company was the first and the only one to provide Repo agreement in Thai version, approved by SEC, to offer clients with more convenience.

In 2014, the Company was ranked No. 1 in terms of Repo volume among securities firms. Currently, Private Repo market is continuing to grow and the Company intends to maintain its leading position in this sector.

2.1.9 KGI Wealth Management and Sales Agent for mutual funds Business

The Company received a Sales Agent in investment units of mutual funds approval from SEC on 16th January 2002. As of 31st December 2014, the Company was appointed as a Sales Agent in investment units of mutual funds for 19 asset management firms. The client coverage includes both institutional and individual investors.

The Company has experienced professionals who provide appropriate financial advice under KGI's Wealth Management operations to High Net Worth clients in order to meet investment objectives and risk appetite for the clients' best interests.

2.1.10 Securities Borrowing and Lending Business ("SBL")

The Company is the first security firm to act as a principal and agent assisting clients who want to lend or borrow securities: 1. Institutional Lenders, 2. Local and Foreign Institutional Borrowers, 3. Retail Borrowers. This service will help increase liquidity and price stability to the Thai capital market.

In order to attract both retail and institutional clients, the Company held SBL promotional campaigns such as no minimum day for borrowing securities. The Company, as the first SBL provider in Thailand, plans to expand its SBL business as follows:

- 1) Increase stock inventory for borrowers.
- 2) Expand client base, both foreign and local clients, who are increasingly interested in borrowing and lending Thai securities.
- 3) Develop new system for retail clients to improve borrowing processes.

2.1.11 OTC Derivatives Business

The Company is recognized as one of the leaders in innovation in the development of derivatives products in Thailand. The Company has spent more than 10 years preparing for issuing and trading of derivatives products. The major shareholder, the KGI Taiwan, has also provided valuable assistance by transferring knowledge and technology to the Company. The KGI Group sent derivatives experts to train our staff to

be ready for this new market in Thailand. At the same time, the Company sent staff to its related companies in Taiwan and Hong Kong to closely study their sophisticated derivatives markets.

The Company adopted the same program and software as those used in Taiwan and Hong Kong. This software is widely recognized in developed derivatives markets in many countries and should be effective in the Thai market as well. Such a system will greatly enhance the risk management capability of the Company in hedging our derivatives positions. KGI Group and the Company always develop such systems to handle every market situation. The Company is completely ready for OTC Derivatives. At the moment, the Company focuses mainly on institutional clients who have better understanding about the risks and rewards of such products.

1. OTC Equity Derivatives

OTC Equity Derivatives products are tailor-made, and designed according to clients' requests. These advantages made OTC Equity Derivatives gained in popularity. OTC Equity Derivatives are popular among local and foreign institutional clients, including Private Funds, to manage their risks and gain return. The Company provides various types of OTC Equity Derivatives, including basic and exotic options, and will offer a wider variety of options to match clients' risks and return profiles in the future. In addition, the Company regularly organizes training/seminars to ensure that our clients thoroughly understand the products before investing in equity derivatives with us.

2. Structured Products

The Company is focusing on developing structured products that combine equity derivatives with money market instruments to serve clients who want to invest in both the equity market and money market. The Company offers structured products exclusively to institutional clients and private funds with a good understanding and knowledge of derivatives. The company launched Structured Notes since 2012.

At present, the Company provides various types of SN with a maximum term of 270 days, whose returns are linked to the price of a single or a basket of SET listed stocks, SET index, SET 50 index, SET 100 index, and listed Exchange Traded Fund.

2.1.12 Exchange Traded Fund ("ETF")

The Company joined a group led by One Asset Management Limited (the Company's subsidiary) and four other leading securities companies as well as a foreign fund advisor that won the right to launch Thailand's first equity exchange traded fund (Equity ETF) in the name of ThaiDEX SET50 ETF or "TDEX" since 2007. The Company acts as Market Maker (MM), providing liquidity in the secondary market and as Participating Dealer (PD), facilitating the creation and redemption of TDEX in the primary market.

In 2009, the Company joined a group led by One Asset Management Limited (the Company's subsidiary) and five other leading securities companies to launch Thailand's third equity ETF in the name of ThaiDEX FTSE SET Large Cap ETF or "TFTSE".

Later, in 2010, the Company acted as Participating Dealer (PD) for Thailand's first ETF on foreign ETF in the name of W.I.S.E. KTAM-CSI300 China Tracker or "CHINA" which may invest in W.I.S.E. – CSI300 China Tracker fund, seeking to replicate the return of CSI300 Index.

In 2011, with SET Index closing at a 15-year high, the Company coordinated with One Asset Management Limited (the Company's subsidiary) to launch ThaiDEX SET High Dividend ETF or "1DIV". The Company acted both as Market Maker (MM) and Participating Dealer (PD). Within the same year, TFEX trading volume reached a historical high, particularly in Gold Futures trading; therefore, the Company joined and acted as Participating Dealer (PD) for three gold ETFs – "GLD", "GOLD99" and "BCHAY".

In 2012, the Company coordinated to launch Hong Kong ETF Tracker or "HK". The Company acted both as Market Maker (MM) and Participating Dealer (PD).

In 2013, the Company coordinated with One Asset Management Limited (the Company's subsidiary) to launch ThaiDEX SET100 ETF or "TH100" to meet client needs. The Company acted as Market Maker (MM) for ThaiDex SET100 ETF.

In 2014, the Company focused on expanding its client base and awareness of ETFs through investor education which ranged from basic education up to advanced ETF investment strategy. In addition, the Company continued improving its internal trading systems to improve market making efficiency.

ETF that the Company acts as Market Maker (“MM”) and/or providing liquidity in the secondary market and as Participating Dealer (“PD”)

| ETF | Code | Underlyig Index | SET's Listed Date | The Company's role | AUM (Baht Million) As of 13 Jan 2015 |
|-------------------------------------|--------|---|-------------------|--------------------|--------------------------------------|
| ThaiDEX SET50 ETF | TDEX | SET50 index | 6 Sept 2007 | MM, PD | 2,722.91 |
| W.I.S.E. KTAM CSI 300 China Tracker | CHINA | W.I.S.E. -CSI 300 China Tracker | 22 Nov 2010 | PD | 294.75 |
| KTAM Gold ETF Tracker | GLD | SPDR Gold Trust (2840:HK) | 8 Aug 2011 | PD | 407.66 |
| ThaiDEX SET High Dividend ETF | 1DIV | SET High Dividend 30 Index | 16 Aug 2011 | MM, PD | 83.41 |
| ThaiDEX Gold ETF | GOLD99 | Gold price of London Gold Fixing A.M. | 11 Oct 2011 | PD | 88.51 |
| Bualuang Chay Gold ETF | BCHAY | Gold price of High purity of 96.5 percent | 1 Nov 2011 | PD | 359.97 |
| KTAM Hong Kong ETF | HK | Hang Seng Index | 19 Jun 2012 | MM, PD | 6.65 |
| ThaiDEX SET100 ETF | TH100 | SET100 index | 21 Feb 2013 | MM, PD | 41.51 |

2.1.13 Derivative Warrants Business

Derivative Warrants (“DW”), are financial instruments that the issuers give rights to the buyers to buy the underlying securities in the future at a pre-determined price, quantity and period as specified by the issuers. A DW issuer is a third party, which is not the listed company issuing the underlying securities.

In 2009, the Company was the first securities company in Thailand to launch DWs. The first DW to be launched by the Company was PTT13CA in June 2009. Within the same year, the Company launched another two DWs - KBAN13CA and PTTE13CA.

The Company remains a leader in the Derivative Warrants business. In 2014, the Company launched 205 DWs which were received a great response from investors. The total registered amount for all 205 DWs was approximately Baht 15,951 million. From 2009 to the end of 2014, the Company has launched a total of 571 DWs as detailed below;

| Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Total |
|---------------------------------|------|------|------|------|------|------|-------|
| Total DWs issued by the Company | 3 | 21 | 114 | 105 | 123 | 205 | 571 |
| -CALL Warrant | 3 | 21 | 87 | 73 | 98 | 163 | 445 |
| -PUT Warrant | - | - | 27 | 32 | 25 | 42 | 126 |

The Company and the underlying companies of the DW that the Company has issued are not related either in terms of capital structure or management. The Company is not an insider of any of the underlying companies for which it has issued DW.

In 2015, the Company plans to launch up to 100 more DWs linked to leading stocks, and plans to launch DWs with new underlying securities as approved by regulators.

DWs are a recent investment product in Thailand, and the Company continues to educate market participants about DW's including; employees, local institutional clients, local and foreign retail clients. The DW education was provided through many channels such as www.thaiwarrant.com (both Thai & English version), www.facebook.com/ed.kgi, newspapers, interviews and print media, in order to enhance knowledge and build confidence in DW investment. The Company plans to roadshow to local and foreign institutional investors to publicize new financial products and attract new clients to invest in Thai Capital Market. The Company launched the first website in Thailand, www.thaiwarrant.com (both Thai & English version). This website provides information of all DW in Thailand which is useful for investors

who are interested in DW. (see Underlying company information of the remaining DWs and history of DW Issued by the Company for the past 2 years in Attachment 4)

2.1.14 Asset Management Business (One Asset Management Limited)

To meet the diverse financial requirements of our clients, the Company provides professional service through a 99%-held subsidiary, One Asset Management Limited (“ONEAM”), which is one of the leader in Thailand’s asset management market. ONEAM has a full range of products including mutual fund, private fund and provident fund to help clients achieve optimal asset allocation in their wealth management.

In 2014, ONEAM’s net profits were Baht 87.67 million (EPS of Baht 8.35). As of 31st December 2014, ONEAM’s total assets were Baht 336.72 million, total liabilities were 63.82 million, shareholders’ equity was Baht 272.90 million. ONEAM has built up a strong reputation with both individual and institutional investors. As of 31st December 2014, ONEAM had total assets under management of Baht 87 billion, an increase 18% from the previous year. In 2014, ONEAM issued 15 new funds as follows:

| | FUND | Starting date | AUM-Baht Million |
|----|--------------|-------------------|------------------|
| 1 | ONE-SPOT 5 | 22 January 2014 | 102.85 |
| 2 | ONE-CHINA7 | 7 February 2014 | 28.49 |
| 3 | ONE-EURO | 20 February 2014 | 135.64 |
| 4 | ONE-SPOT4 | 17 March 2014 | 126.46 |
| 5 | ONE-US5 | 25 April 2014 | 212.84 |
| 6 | ONE-CHINA5 | 12 May 2014 | 145.05 |
| 7 | ONE-STARS | 9 June 2014 | 56.21 |
| 8 | 1ENHANCED6M1 | 12 June 2014 | 763.18 |
| 9 | ONE-SPOT5/2 | 2 July 2014 | 238.39 |
| 10 | SSTSS | 7 August 2014 | 820.15 |
| 11 | ONE-MOAT7 | 8 September 2014 | 801.60 |
| 12 | ONE-ASEAN | 26 September 2014 | 213.91 |
| 13 | ONE-GLOBALEQ | 3 November 2014 | 45.27 |
| 14 | ONE-SPOT4/2 | 27 November 2014 | 312.08 |
| 15 | ONE-SPOT5/3 | 22 December 2014 | 155.92 |
| | Total | | 4,158.01 |

2.2 MARKET OVERVIEW AND COMPETITION

(A) Significant Marketing Activities

The Company’s marketing policy in 2014

The Company’s marketing policy is to maintain existing clients and expand new clients by organizing promotional activities and focusing on giving better service to clients. In 2014, the Company held the following marketing activities:

1. The Company arranged training to enhance its employee’s knowledge and skills regularly. Employees then have knowledge, ability and skills to serve clients more effectively.
2. The Company has developed its trading system regularly to make its system fast and efficient and able to support its growth of business.
3. The Company opened booths at seminars at SET, universities, etc., to introduce its product and services.
4. The Company co-operated with MAI to produce research papers for medium and small listed companies in MAI and continues to conduct marketing activities for investors.

5. The Company held seminars to educate clients and investors on topics such as Internet Trading, Securities Fundamental-Technical Analysis and TFEX. The seminars not only educated the clients and investors, they also expanded the Company's client base.
6. The Company arranged the Young Professional Investment Consultant project class 4 to recruit new graduates and training them via lectures, workshops, field trips and on-the-job training to be new professional investment consultants.

Character of Clients, Target Client, Portion of Local and Foreign Clients

The Company targets clients who have capital and want to invest in financial products in equities, fixed income and derivatives. This can be a natural person or juristic person.

In 2014, the Company's Brokerage clients consisted 74% local clients, 3% foreign clients and 23% the Company's portfolio. Most of the foreign clients are from the United States and Taiwan, the Company did not depended on any client for more than 30% of total income.

The Company has its headquarters and 17 branches throughout the country to provide service to clients, clients can send orders via phone through the Company's Investment Consultants or trading with themselves through the internet. In 2014, the portion of trading via Investment Consultants: trading via internet was 35% : 65%.

Information of the Company's clients in past 3 years.

Unit : Baht Millions

| Average Daily Trading Volume | 2014 | % | 2013 | % | 2012 | % |
|--|--------|-----|--------|-----|--------|-----|
| Daily Trading Volume- SET* | 45,466 | | 50,329 | | 32,304 | |
| Daily Trading Volume- The Company * | 4,636 | | 4,838 | | 2,644 | |
| (including the Company's portfolio) | 4.28% | | 4.04% | | 3.47% | |
| The Company's market share % | 7 | | 11 | | 12 | |
| (excluding the Company's portfolio) | | | | | | |
| Ranking | | | | | | |
| Breakdown by types of clients | | | | | | |
| 1) Local corporate clients | 376 | 8 | 330 | 7 | 149 | 6 |
| 2) Local retail clients | 3,050 | 66 | 2,969 | 61 | 1,584 | 60 |
| 3) Foreign clients | 124 | 3 | 257 | 5 | 220 | 8 |
| Total clients volume | 3,550 | 77 | 3,556 | 73 | 1,953 | 74 |
| 4) The Company's portfolio | 1,086 | 23 | 1,282 | 27 | 691 | 26 |
| Total | 4,636 | 100 | 4,838 | 100 | 2,644 | 100 |
| Breakdown by types of accounts | | | | | | |
| 1) Cash account | 2,974 | 84 | 2,887 | 81 | 1,323 | 68 |
| 2) Credit balance account | 576 | 16 | 669 | 19 | 630 | 32 |
| Total | 3,550 | 100 | 3,556 | 100 | 1,953 | 100 |
| Breakdown by types of trading order channels | | | | | | |
| 1) Trading via Investment Consultants | 1,253 | 35 | 1,490 | 42 | 919 | 47 |
| 2) Trading via internet trading | 2,297 | 65 | 2,066 | 58 | 1,034 | 53 |
| Total | 3,550 | 100 | 3,556 | 100 | 1,953 | 100 |

Note : * Trading volume referred to volume in both SET and MAI

(B) Market Overview and Competition in 2014

The Thai market in 2014 was generally bullish, despite the political stress in the first half of the year. As foreign investors had adjusted their position out of Thai stocks in the late of 2013, their view on Thai market in 1H2014 was positive as stocks looked cheap and offset the political risk at that time.

The SET Index started off the year 2014 at a relatively low level, as investors were actually negative on the market since November 2013 when anti-government protest took place. Interestingly, during January-May 2014, the market gradually recovered and ignored the political pressure as long-term investors were positive on market valuations. External factors also helped support the market sentiment as global financial markets rallied on ample liquidity as US central bank kept interest rate near zero and other major central banks in Europe and Japan continued to expand the monetary stimulus.

After the political clarity when the Thai military staged coup on May 22, 2014 and set up the new government, SET Index extended gain due to expectation for economic recovery in 2H2014 and 2015. The new military-led cabinet started working in July 2014 and has rolled out a few economist policies to help the low income earnings and boost Thai purchasing power.

Late of the year, the market volatility was higher as SET valuations turned more stretched and foreign flows fluctuated due to Asian currency depreciation after the rising US Dollar. In December 2014, the SET Index faced a drastic correction and moved with high turbulence as oil market collapsed and largely weighed on major energy stocks.

In terms of Thai economics and earnings fundamental, the recovery post political stress remains slow admittedly. Thai GDP in 4Q2014 grew a moderate 2.3% YoY, following a more modest 0.6% YoY and 0.4% YoY growth in 3Q2014 and 2Q2014, respectively. FY2014 GDP grew 0.7%. On the corporate earnings, the net profit of listed companies (preliminary figure) was down 14.7% from 2013 due mainly to a large degree of inventory loss in energy stocks during 4Q2014.

Stock Exchange of Thailand

| | 2014 | 2013 | 2012 |
|---|------------|------------|------------|
| Total trading value (Baht million)* | 11,139,291 | 12,330,669 | 7,914,567 |
| Average daily trading value (Baht million)* | 45,466 | 50,329 | 32,304 |
| Total market capitalization (Baht million) | 13,856,283 | 11,496,765 | 11,831,448 |
| SET Index (year-end) | 1,497.67 | 1,298.71 | 1,391.93 |
| Dividend Yield (%) | 2.9 | 3.2 | 3.0 |
| P/E ratio (times) | 17.8 | 14.6 | 18.3 |
| P/BV ratio (times) | 2.1 | 2.0 | 2.4 |
| No. of listed companies | 502 | 489 | 476 |

*including MAI

For the whole 2014, the SET Index had a decent gain, rising 198.96pts or 15.32% to close at 1,497.67pts. The daily average market turnover (both SET and MAI) stood at Baht 45.5 billion, decreasing by 9.7% from Baht 50.3 billion in 2013. Foreign investors reported moderate net selling position of Baht 37.5 billion in 2014, compared to a massive net selling of Baht 190.3 billion during 2013. The market capitalization rose to Baht 13.86 trillion at the end of 2014, up 20.5%, from Baht 11.50 trillion at the end of 2013.

There were 36 new companies listed in Thailand's stock markets (both SET and MAI) in 2014, compared to 28 new listings in 2013. Strong market performance throughout the year, not surprisingly, resulted in more active investment banking business including IPOs. Although the Thai market volatility was rising in 4Q14, the line-up of IPO remained strong. For example, there were 8 IPOs in November of 2014.

IPO Stocks in 2014 (both SET and MAI)

| Stock | First trading date | IPO size (Baht million) |
|-------|--------------------|-------------------------|
| AIE | 6-Jan-14 | 2,113.75 |
| AJD | 27-Feb-14 | 250.00 |
| PCSGH | 14-Mar-14 | 3,345.40 |
| LIT | 25-Mar-14 | 162.00 |
| SUTHA | 3-Apr-14 | 277.50 |
| ICHI | 21-Apr-14 | 3,900.00 |
| KTIS | 28-Apr-14 | 9,578.27 |
| SAWAD | 8-May-14 | 1,725.00 |
| OTO | 15-May-14 | 432.00 |
| TAE | 5-Jun-14 | 592.08 |
| TSR | 20-Jun-14 | 301.00 |
| PCA | 23-Jun-14 | 210.00 |

| Stock | First trading date | IPO size (Baht million) |
|--------|--------------------|-------------------------|
| SAPPE | 25-Jun-14 | 1,012.50 |
| AIRA | 7-Jul-14 | 568.95 |
| PDG | 29-Jul-14 | 196.00 |
| RICHY | 7-Aug-14 | 706.20 |
| TAKUNI | 19-Aug-14 | 640.00 |
| XO | 25-Aug-14 | 154.00 |
| LDC | 2-Sep-14 | 180.00 |
| CCN | 11-Sep-14 | 75.00 |
| RWI | 18-Sep-14 | 240.00 |
| SMART | 2-Oct-14 | 133.86 |
| FSMART | 14-Oct-14 | 500.00 |
| TSE | 30-Oct-14 | 1,755.00 |
| SPA | 31-Oct-14 | 289.00 |
| BA | 3-Nov-14 | 13,000.00 |
| BRR | 6-Nov-14 | 1,150.44 |
| NCL | 11-Nov-14 | 171.00 |
| FIRE | 13-Nov-14 | 135.00 |
| JSP | 19-Nov-14 | 3,120.00 |
| CBG | 21-Nov-14 | 7,000.00 |
| VPO | 24-Nov-14 | 729.00 |
| MTL | 26-Nov-14 | 2,997.50 |
| PSTC | 19-Dec-14 | 292.50 |
| KCM | 23-Dec-14 | 260.00 |
| EPG | 24-Dec-14 | 4,060.00 |

Source: SET and MAI

Competition among Thai Broker

Competition among Thai brokerage businesses remained intense, similar to the past few years. Although the SET Index posed a decent gain in 2014 and market turnover remained high at Bt 45.4 Billion, the industry is on the liberalization of commission rates and pricing competition has been fierce. The major players in foreign institutional business and retail business continued to share the top positions in 2014. In 2014, the sum of the market share of the top 10 brokers was 52.96%, compared to the ratio in 2013 at 55.66%.

Top 10 securities broker of the Year 2014

| Rank | Company Name | Name | Market Shares (%) |
|----------------|--|--------|-------------------|
| 1 | MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED | MBKET | 10.65 |
| 2 | KASIKORN SECURITIES PUBLIC COMPANY LIMITED | KSMACQ | 6.15 |
| 3 | CIMB SECURITIES COMPANY LIMITED | CIMBS | 5.53 |
| 4 | FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED | FSS | 5.24 |
| 5 | BUALUANG SECURITIES PUBLIC COMPANY LIMITED | BLS | 4.96 |
| 6 | THANACHART SECURITIES PUBLIC COMPANY LIMITED | TNS | 4.51 |
| 7 | KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED | KGI | 4.28 |
| 8 | PHATRA SECURITIES PUBLIC COMPANY LIMITED | PHATRA | 4.04 |
| 9 | CREDIT SUISSE SECURITIES (THAILAND) LIMITED | CS | 3.87 |
| 10 | ASIAPLUS SECURITIES PUBLIC COMPANY LIMITED | ASP | 3.82 |
| TOP 10 BROKERS | | | 52.96 |
| OTHERS | | | 47.04 |
| Total | | | 100.00 |

Industry Trend in 2015

The industry trend of brokerage business remains moderately positive in 2015, as the positive market outlook, driven by supportive monetary policies around the world and possible improvement in Thai economy and corporate earnings, should imply more upside to the SET Index and accordingly active trading turnover. However, we believe competition among brokers will remain high given the ongoing liberalization of commission rate. Also, most research houses expect that the market volatility will be high which could lead to tougher business environment in 2015 compared to that in the previous year.

2.3 Capital Management Policy

Fund Management policy

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

If the Company requires new funds, its policy is to try to procure the cheapest source of funds available, and to match the duration of any loan to its needs. As far as possible, the Company will not depend upon one source of funds. The Company analyzes its cash flow needs on a daily basis and tries to match its funding and investment in money market instruments to its needs as forecast.

The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Capital Rule must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees. As of 31st December 2014, the Company has Net Capital Rule of Baht 3,974 million and Net Capital Ratio of 116.27% of liabilities and guarantees.

Investment Policy

The Board of Directors has approved a revised Investment Policy of Proprietary Trading, to comply with the SEC notification regarding the conditions and Procedures of investment for Proprietary Trading on 1st March 2014, which are key points are summarized below:

1. The Risk Management Committee will approve the risk limit for the Company's proprietary trading teams at least once a year. The risk limit defines an acceptable level of loss (Stop Loss Limit) and the maximum acceptable value of an investment (Position Limit) and will be reviewed regularly to ensure that the limits are suitable given market conditions.
2. The Company's proprietary trading teams are responsible for stock and bond selection and investment allocation. An investment in new products requires the Risk Management Committee's approval.
3. The Company's proprietary trading team members must have an appropriate license and qualifications to comply with SEC notifications.
4. The Risk Management Committee uses a variety of tools to implement comprehensive measurement and analysis of market risk. For example, Value-at-Risk is used to measure the potential loss on an investment given a certain time horizon and level of probability, and stress testing is implemented to evaluate the robustness of a Company under different stress scenarios. If Net Capital Ratio decreases significantly, the Risk Management Department will report to the Risk Management Committee immediately.
5. The Company has assigned the Legal & Compliance Department and the Audit Department to supervise and ensure that the Company's proprietary trading complies with the Company's policy.

Credit Balance Policy

A Credit Balance account is used by investors who want to borrow money to buy a security. Before the client can buy or sell, the client must open a Credit Balance account and deposit cash or securities as collateral of not less than the minimum Initial Margin, according to the SET's regulation. This amount will be credited into the account of the investor.

The Company specified that the client who wants to open Credit Balance Account (“Margin Account”) shall disclose to its Investment Consultant the adequate personal information which represents the proper debt payment ability. After the Company has approved the opening of any Margin Account, such client shall sign the related Loan Agreement for Securities Trading to acknowledge the term and condition and risk in relation to the Margin Account. The Company’s Credit Balance Policy are as follows:

1. The Company will not lend the loan for securities trading to any person which the Company know or should know that such person is a nominee.
2. Before serving any services to the client, the Company shall collect and evaluate client’s information for the following purpose;

2.1 Know Your Client & Client Due Diligence: KYC / CDD

2.2 Evaluate the suitable and acceptable risk level for its loan for securities trading through Suitability Test

With compliance to the regulation issued by the Office of SEC, in case where i) the Client does not cooperate or refuse to provide any information, or ii) the existing information is inadequate or not up to date materially and iii) the Company may not use such information as a part of lending consideration due to any suspicious causes. The Company reserves its right to suspend or deny all services provided or will provide to the Client.

3. The Company has set out the Marginable Securities list. In this regard, the Company has considered the qualification of any securities such as liquidation, good fundamental, price volatility and relevant risk etc. In addition, the Company will monthly review the Marginable Securities list or when any significant market change in the marginable lists are occurred and giving prior notification to the Client as the Company deem appropriate on company’s website.
4. The Company has imposed the Initial Margin Rate for all marginable securities and required the Client to deposit cash or assets as their collaterals before trading is made. In addition, the Company has set the Call Margin Rate and Force Sale Rate which not lower than the rate prescribe by the SET and comply with the Company’s internal working process. The Company will require the Clients to add up more collateral or force sale their securities when the collateral is less than the required rate.
5. The Company has imposed the interest which shall be i) charged from the loan for securities trading or ii) paid from the cash which the client has deposited as collateral in Margin Account, has comply with the regulation prescribed by the Office of SEC and/or the Company.
6. All s’ cash including benefit/return deposited with the Company shall not be subjected to the protection of the Financial Institutions Development Fund.

Environmental impact of production processes

The company encourages employees to save energy and protect the environment by 1) turning off lights during lunch breaks, 2) shutting down computers and unplugging unused electrical equipment after work, 3) saving water, 4) saving paper by using recycled paper and 5) reducing the amount of toilet paper. The company has never been sued over any environmental issues.

3. Risk Factors

3.1 Company's Business Risks

3.1.1 Risk Associated with Government policy, Rules and Regulations and Related Laws

The Changes in government policies, rules and regulations and related laws, such as changes in interest rates, changes in regulations and guidelines, changes in commission rates, and other changes may affect the Company's operations.

The Company manages this risk by closely monitoring changes in the policies of regulators. The Company will attend meetings to share its opinions with the regulators.

The Legal & Compliance Department will notify employees of such changes, and advise them how to adjust their strategies and operational procedures in accordance with such changes.

3.1.2 Risk from Dependence on Major Client

In 2014, the Company did not depend on income from any one client for more than 30% of total income. The Company is concerned about the risk of dependence on major clients, so it continuously plans to expand its client base both in retail and institutional clients and both in local and foreign. One way this is seen is the development of internet trading system (EZ Trade) to expand internet trading clients.

3.1.3 Risk Associated with Human Resource

Human resource is one of the key factors for securities businesses. Losing a key member of the staff may affect the continuity business of the Company.

In order to protect against such risk, the Company provides continuous training to enhance human resource development in terms of potential and expertise to better serve clients. Nevertheless, to create career paths for the Company's staff, the Company has a clear policy with properly compensated in accordance with current market conditions and competition. Lastly, the Company's management team is focused on building good relationships within the organization leading to good cooperation and better and safe working environment.

3.1.4 Risk of Renewal Premise Leasing Contract

Currently, the Company has leased the premise for the business operation either in head office or 16 branches for certain period in many leasing contracts (except Supanburi Branch which the land and building belong to the Company). Therefore, the risk of contract renewal may be existed as well as the rental fee adjustment which may be increased by the lesser. However, most of leasing contracts grant the Company the right to renew the leasing contract as long as the company comply with terms and conditions in the contract. Nowadays, the company has performed its duties under the leasing contracts as a good lessee and often get renewal from the lessor. Considering the rental fee adjustment which may affect the cost of business operation, but it is accepted by the company due to the consistency with market rate. Therefore, the Company believes that provisions contained in the current premise leasing contracts will not give rise to a significant risk to the Company.

3.1.5 Risk Associated with Free Trade Area and Asean Economic Community ("AEC")

Asean Economic Community (AEC) will be fully implemented in 2015. The AEC is a regional economic integration of ASEAN 10 countries which transform ASEAN into a region with free movement of goods, services, investment, skilled labour, and freer flow of capital. For securities trading business, SET has developed the Asian Link system to trade securities across countries easier. However, KGI still does not allow clients to trade internationally.

3.1.6 Market Risk

Market risk refers to the risk that fluctuations in market trading volumes and interest rates will directly impact on the Company's revenue or the value of the Company's financial assets and liabilities at present and in the future. Factors causing volatility in market trading volumes and interest rates include political developments, the economic outlook, and domestic and investor sentiment, both domestically and internationally.

A variety of tools are used to implement comprehensive measurement and analysis of market risk. For example, Value-at-Risk is used to measure the potential loss on investment given a certain time horizon and level of probability, and stress testing is implemented to evaluate the robustness of a company in any given stress scenarios. These analytical tools provide a picture of the Company's potential future losses. Moreover, the Company assesses and manages the losses potential resulting from market losses by setting stop loss limits and position limits that are appropriate to current market conditions, which change over time.

3.1.7 Risk from Competition in Securities Broker Business

The securities broker business is highly competitive, especially as SET changed its policy on brokerage commissions to a cascade calculation. The commission will vary based on trading volume. Also, the brokerage commission fee is fully negotiable between brokers and members since January 2012. If the Company is unable to maintain a high quality of service compared to other brokers, it may lose its market share. Therefore, the Company has strategic planning and situation accommodation starting with a policy to continually enhance the efficiency of its staff in giving advice and service to clients, including technology development to support new products. The Company also has always developed its research and expanded with new businesses to give more convenience to clients and offer investment alternatives.

3.1.8 Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company and its subsidiary companies.

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables, loans and other accounts receivable. The Company controls such risk by establishing credit limits for clients and counter parties and analyzing their financial position as an ongoing basis. The Company is not expected to have much concentration risk of credit exposure because it has a variety of client base and large number of clients.

The maximum exposure to credit risk is limited to the carrying amount of securities and derivatives business receivables, loans, and other receivables as stated in the statements of financial position. As of 31st December 2014, the Company has its securities and derivatives business receivables-net of Baht 4,885.70 million.

3.1.9 Risk from Securities Investment and Return

Risk from securities investment and return is the risk that the Company may not get return from investment as it expects.

The Company has assigned its Risk Management Committee to set strict guidelines and policies regarding asset allocation, portfolio limits and risk control in order to manage risk of losses due to market volatility and controlling risk limit on a daily basis. The Risk Management Committee will review on a regular basis to be consistent with market condition from time to time.

3.1.10 Risk from Investment in Subsidiaries

This type of risk may arise if the subsidiaries incur losses which have an effect on the Company's performance. The Company's investments in subsidiaries are accounted for under the equity method. The Company appointed persons to be directors for setting management policies of its subsidiaries.

3.1.11 Risk from Investment Banking Business

In operating an investment banking business, in the underwriting business, there is risk of losses from unsubscribed securities that must be transferred to the Company's portfolio. Inappropriate size or pricing of issues, unexpected fluctuations in the stock market, interest rates or foreign exchange rates can cause the investors not to subscribe to such securities. To reduce such risk, the Company studies and analyzes information regarding the issuer and the interest of clients or investors. In the financial advisory business, the Company always studies clients carefully and conducts due diligence before entering deals. The Company also set up the Investment Banking Sub-Committee to be responsible for approving underwriting deals and other investment banking businesses.

3.1.12 Risk Associated with Derivatives Products

Having taken into consideration various risks involved in derivatives, the Company has approved the Equity Derivatives Department and Fixed Income Department to sell derivative products to clients. However, the Risk Management Committee has to first approve the “Product Program” before the Equity Derivatives Department and Fixed Income Department can issue derivatives to clients. The Product Program mainly focuses on

- 1) Characteristics of securities, services, and target clients;
- 2) Risk management policies such as control of position risk (Var, Delta, and DV01) setting acceptable stop loss level and other risk policies depending on attributes of securities and services offered to clients; and
- 3) Internal operational procedures (Work Flow) including internal control.

The Risk Management Department monitors the Company’s exposure on a daily basis to ensure compliance with the approved risk policies. The Company is therefore confident that it has put in place a system for limiting risks associated with derivatives to an acceptable minimal level.

The Company was the first securities company launching Derivatives Warrants. The Company has a strict policy to control and monitor associated risk closely. Currently, the Company has total Credit Limit for issuing Derivative Warrants Baht 1,500 million.

3.1.13 Risk Associated with Information Technology

Information technological risk associated with technological limitations including ability to support large transactions and product variability plus operational system, backup and information security.

Much of the Company’s business is conducted using various computer or communications networks. In the event these systems or networks are disrupted or unavailable the Company’s operations would be affected. Examples of such disruptions include external network or system outages affecting market trading activities, and internal system outages affecting communication or data management.

The Company foresees the important of information technology in operating business, so it is always developing systems to support new product and various types of transactions. Also, the Company has set up an emergency plan and disaster recovery plan for each of its main systems and maintenance.

3.1.14 Risk Associated with Fraud

Fraud is a risk that can occur from employee, clients and the counter party. The Company maintains close multiple operational and financial monitoring and controls to ensure that transactions, both on behalf of clients and for the Company, are performed correctly. However, the Company may be at risk of fraud. This includes failure of the Company’s monitoring systems to detect fraud. The Board has approved the Policies and Guidelines to prevent and combat corruption by the Company and the Procedures regarding the Anti-Corruption policy. The Board also set clear procedures on whistle blowing for related parties or stakeholders and ensure the Company has protective measures to keep the whistleblowers’ names confidential

3.1.15 Risk Associated with Business Disruption

The Company has performed extensive business continuity planning and preparation. However, major business disruption events beyond the control of the Company may affect its level of business operations. Examples of such events include natural disasters such as the major flooding in 2010, or political unrest in 2011.

To prevent the risk of natural disasters and other emergencies case, The company has prepared the Business Continuity Plan (BCP) and require testing at least once a year.

3.2 Financial Risk

3.2.1 Liquidity Risk

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

The Company has procedure and process to monitor, follow and control liquidity risk. For example, when the Company is launching a new product, it assesses the impact on its liquid capital by estimating its net capital ratio after the product is launched using a stress test technique, and takes this information into consideration in determining the appropriate size of the product issue.

The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Capital Rule must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees. As of 31st December 2014, the Company has Net Capital Rule of Baht 3,974 million and Net Capital Ratio of 116.27% of liabilities and guarantees.

3.2.2 Foreign Exchange Risk

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

As of 31st December 2014, the Company has investments in subsidiaries in foreign currency under cost method of USD 59.4 million (equivalent to Baht 2,383 million). However, the Company also has obtained Thai Baht loans from those subsidiaries totaling Baht 1,936.5 million.

The Company has exposure to foreign exchange risk in respect of its investments in foreign currencies. The Company has entered into any forward exchange contracts with maturities of up to 1 year to manage this risk.

3.2.3 Interest Rate Risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company and subsidiary companies.

The exposure to interest rate risk of the Company and its subsidiary companies relates primarily to their deposits at financial institutions, securities purchased under resale agreements, securities and derivative business receivable - credit balance accounts, long-term investments in debt securities and debt issued and borrowings. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company and its subsidiary companies do not use derivatives to manage their interest rate risk.

3.3 Risk Affecting the Rights of Shareholders

3.3.1 Risk From Having Major Shareholder

Richpoint Company Limited (100% owned by KGI Securities Company Limited, Taiwan), is the company's major shareholder, owning approximately 35% of the company's paid up shares as of 14th March 2014 (the registration close book date). A major shareholder may exercise greater influence over the company's management and business policies. However, if a major shareholder wishes to hold more than 50% of the company, it still needs to seek approval from relevant government agencies.

Currently, there are 4 independent directors from a total of 12 directors or equal to 33%. They are responsible for good corporate governance to ensure that the quality of management is effective, transparent and accessible for the minority shareholders.

3.3.2 Risk from Establishing a Thai Trust Fund and Having a Non-Voting Depository Receipts (NVDRs)

Since investors in the Thai Trust Fund and NVDRs holders have no voting rights, this effectively leads to a decrease in the number of voting shares. As a result, major shareholders may have an increased level of control over the Company. However, as of 30th December 2014, there were no shares held by the Thai Trust Fund and investors had bought 180,328,710 NVDRs shares (equivalent to 9.05 % of paid-up capital).

3.3.3 Risk Associated with Low Free Float Stock Which Effect Low Trading Liquidities

As of 14th March 2014 (the registration close book date), 65.02% of KGI stock was held by retail investors, which makes trading liquidity high and means less risk that investors would be unable to trade at desired price.

3.4 Risk as Issuer of Derivative Warrants (DW)

The Company is the first securities company in Thailand launching Derivative Warrants (DW) and is continuing in the front row to launch DW into the market. The risks related to DW are as follows.

- 1) DW constitutes general unsecured contractual obligations of the Company and DW holders and will rank equally with the Company's other general unsecured contractual obligations.
- 2) The price of DW issued by the Company may increase or decrease rapidly. DW holders may lose all of their investment in DW. Before investing, selling, or exercising DW, DW holders should carefully consider, among other things, all information carefully, such as
 - 2.1) Trading price of the DW : depends on the factors affecting DW price including demand and supply of DW
 - 2.2) Trading price of the underlying asset : depends on the market condition including demand and supply of underlying asset
 - Generally, when the price of the underlying asset decreases, the price of a call DW may decrease, but the price of a put DW may increase
 - Generally, when the price of the underlying asset increases, the price of a call DW may increase, but the price of a put DW may decrease
 - 2.3) Volatility of the underlying asset : depends on the market condition including demand and supply of underlying asset
 - Generally, when the volatility of the underlying asset decreases, the prices of a call and put DW may decrease
 - Generally, when the volatility of the underlying asset increases, the prices of a call and put DW may increase
 - 2.4) Time to maturity of DW and last trading date of DW
 - Generally, as the time to maturity of DW decreases, the price of a call and put DW may decrease
 - 2.5) Changing of interest rates: depends on many factors such as in economic, political and market factors
 - Generally, when interest rates decrease, the price of a call DW may decrease, and the price of a put DW may increase
 - Generally, when interest rates increase, the price of a call DW may increase, and the price of a put DW may decrease

- 2.6) Changing of dividend of the underlying company (Only in case of no right adjustment)
- Generally, when dividend of the underlying company decreases, the price of a call DW may increase, but the price of a put DW may decrease
 - Generally, when dividend of the underlying company increases, price of call DW may decrease, but the price of a put DW may increase
- 2.7) The liquidity of the underlying asset, the liquidity of DW : depends on the market condition, the demand and supply of underlying asset, the demand and supply of DW, and the Market Maker obligation
- 2.8) Trading commission, exercise expenses, other related expenses of trading DW, and the credit and financial status of the Issuer
- 3) Trading of DW may be affected by an order temporarily prohibiting the purchase or sale of securities by posting the “H” (Halt) or “SP” (Suspension) sign on the board of the underlying asset of DW. As a result of an order to prohibit the purchase or sale of underlying asset, DW also be prohibited in the same period.
- 4) The price of the underlying asset may change for many reasons including corporate action of the underlying company, performance of the underlying company and market situation. In some events such as corporate action that affect the price of the underlying asset, the Company may adjust the exercise price and the exercise ratio of DW. However, if there is a corporate action and the Issuer decides not to make any adjustment, the price of DW may be affected by the corporate action.
- 5) An investment in a DW is not the same as owning the underlying asset or having a direct investment in the underlying asset. The change in the value of the DW may be disproportionate to or opposite to the change in value of the underlying asset. DW holders may not receive a same right as the holders of underlying asset, for example, voting rights or rights to receive dividends.
- 6) On maturity, DW holders may receive the Net Cash Settlement later than normal if there is Events of Default under the Terms and Conditions of DW. Events of Default are defined as the event that is beyond the control of the Company, but not the failure of the Company. Events of Default may occur for many reasons including wars, political unrests, orders prohibiting on the purchase or sale of securities, and regulations affecting the prices of DW and underlying asset to cannot be assigned.

If Events of Default occur, DW holders may receive the Net Cash Settlement (if any) later than normal, for example, if any of the Events of Default occur before or on the last trading date, but resolve within thirty (30) days after the last trading date. Hence, the closing price of the underlying asset on the business day following the day that Events of Default have been resolved shall be used as the settlement price. The Company shall pay the Net Cash Settlement (if any) to DW holder's bank account or send a crossed cheque to the registered holder on the Automatic Exercise Date and send by registered mail within eight (8) business days following the day that the Company determines the Settlement Price.

- 7) DW holders may carry credit risks for either collateralized DW or non-collateralized DW. Therefore, DW holders shall study the financial status, overall operation, and credit rating of the Company.
- 8) DW holders may be required to pay taxes including tax on the Net Cash Settlement from the exercise

Not all of the risk factors described above will necessarily be applicable to a particular DW. Please consider all risks carefully prior to investing in any DW and carefully read the Terms and Conditions of DW. DW investors should be confident they understand all related risks before investing in DW.

4. Assets used for business

4.1 Fixed assets of the Company and its subsidiaries

A. Assets used in the Company's business are as follows:

| Description (As of December 31 st 2014) | Net book value (Thousand Baht) | Ownership | Collateral/obligation |
|---|-----------------------------------|-----------------|-----------------------|
| Land (Supanburi branch) | 1,820 | Company's asset | None |
| Building (Supanburi branch) | - | Company's asset | None |
| Equipment | 70,103 | Company's asset | None |
| Furniture and fixtures | 12,165 | Company's asset | None |
| Vehicles | - | Company's asset | None |
| Installation in progress | 2,332 | Company's asset | None |
| Total | 86,420 | | |

B. Assets used in subsidiaries' business are as follows:

| Description (As of December 31 st 2014) | Net book value (Thousand Baht) | Ownership | Collateral/obligation |
|---|-----------------------------------|--------------------|-----------------------|
| Building improvements | 9,768 | Subsidiary's asset | None |
| Equipment | 4,172 | Subsidiary's asset | None |
| Furniture and fixtures | 3,520 | Subsidiary's asset | None |
| Total | 17,460 | | |

4.2 Rental property

A. The Company rents the following space to operate business at its head office and branches.

| Rental Property | Lessor | Remaining period of lease as at 31 st December 2014 | |
|-----------------------------|---|---|-----------|
| 1. Head office | City Realty Co.,Ltd. | 3 years | 1 month |
| 2. Hat Yai branch | Lee Gardens Hotel Co., Ltd. | 2 years | |
| 3. Nakhon Ratchasima branch | K.R.Shopping Center Co.,Ltd. | 2 years | 11 months |
| 4. Samut Sakhon branch | A.T. Asset Co., Ltd. | 1 year | 6 months |
| 5. Nakhon Sawan branch | Individual | 2 years | 8 months |
| 6. Pinklao branch | CPN Retail Growth Leasehold Property Fund | 1 year | 9 months |
| 7. Nakhon Pathom branch | Individual | 2 years | 6 months |
| 8. Chiang Rai branch | Individual | | 6 months |
| 9. Phetchaburi branch | Individual | 3 years | |
| 10. Udon Thani branch | Individual | 2 years | 2 months |
| 11. Changwattana branch | Na-Nakorn Estate Co.,Ltd. | 1 year | |
| 12. Thapra branch | The Mall Shopping Complex Co.,Ltd. | 3 years | |
| 13. Silom Center branch | Porn Real Estate Co.,Ltd. | | 10 months |
| 14. Silom Complex branch | Silom Building and Service Co., Ltd. | 1 year | 4 months |
| 15. Pracha Chuen branch | Individual | | 8 months |
| 16.Udon Thani Cyber branch | Fairy Bridge Holdings Co., Ltd. | | 3 months |

B. One Asset Management Limited rents the following space to operate business at its head office.

| Rental Property | Lessor | Remaining period of lease as at 31 st December 2014 | |
|-----------------|---------------------|---|-----------|
| Head office | Siam Piwat Co.,Ltd. | 1 year | 11 months |

4.3 Intangible Assets and Goodwill

As of 31st December 2014, the Company's intangible assets were Baht 69.38 million, consisting of computer software which has useful lives for 5 and 7 years Baht 54.18 million and Computer software under development Baht 15.21 million. The Company's goodwill were Baht 26.71 million.

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

Goodwill is initially recorded at cost, which equals to the excess of the cost of the business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired, exceeds the cost of business combination, such excess is immediately recognised as revenue in profit or loss from operation.

For subsequent measurement, goodwill is carried at cost less allowance for impairment. Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

4.4 Investment Policy in Subsidiary Companies

The Company is focused on investing in businesses that support the Company's business. Currently, the Company invests in an asset management company to meet the diverse financial requirements of our clients and invests in 2 offshore companies. As of 31st December 2014, the Company's investment in subsidiary companies was Baht 2,549.73 million. The details of subsidiary companies are as follows:

| Company's subsidiaries | Business | Paid-up capital | Shareholding percentage | Cost (Million Baht) |
|--|------------------------|------------------|-------------------------|---------------------|
| One Asset Management Limited | Mutual fund management | Baht 105 million | 99 | 244 |
| KGI Securities (Thailand) International Holdings Limited (incorporated in Hong Kong) | Investment | USD 39 million | 100 | 1,549 |
| KGI (Thailand) Holdings Limited (incorporated in British Virgin Islands) | Investment | USD 20 million | 100 | 834 |
| Total investments in subsidiaries | | | | 2,627 |
| Less Allowance for impairment loss | | | | (77) |
| Investments in subsidiaries - net | | | | 2,550 |

5. Legal Cases

As of 31st December 2014, the Company and its subsidiaries had no litigation as follows:

- which might have a potential negative impact in excess of 5% of the shareholders' equity per its consolidated financial statements as of the latest accounting period;
- which may significantly affect the Company or its subsidiaries which impact cannot yet quantified;
- which arises other than from the Company's normal business.

6. General information and Other relevant information

6.1 General information

(1) Information of KGI Securities (Thailand) Public Company Limited

| | |
|-----------------------------------|--|
| Business Type | Securities businesses |
| Head office address | No.173 Asia Centre Building, 8 th - 11 th Floor, South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Thailand |
| Company's PCL registration number | No. 0107536000293 |
| Telephone number | 66 (0) 2658 8888 |
| Fax number | 66 (0) 2658 8000 |
| Website | www.kgiworld.co.th and www.thaiwarrant.com |
| Paid up capital | Baht 1,991,763,130 |
| No. of paid-up shares | 1,991,763,130 ordinary shares |
| Par Value | Baht 1.00 per share |

(2) Juristic Information which is 10% up of paid-up shares owed by the Company

One Asset Management Limited ("ONEAM")

| | |
|-----------------------------------|--|
| % of holding by the Company | 99% |
| Business Type | Fund Management |
| Address | No.989 Siam Tower (Siam Discovery), 24 th Floor, Rama I Road, Pathumwan Sub-District, Pathumwan District, Bangkok 10330, Thailand |
| Telephone number | 66 (0) 2659 8888 |
| Fax number | 66 (0) 2659 8860 |
| Website | www.one-asset.com |
| Amount and Type of paid-up shares | Paid-up 10,500,000 ordinary shares at par value Baht 10.00 |

KGI Securities (Thailand) International Holdings Limited ("HOLDCO")

| | |
|-----------------------------------|---|
| % of holding by the Company | 100% |
| Business Type | Investment |
| Address | 41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong |
| Telephone number | (852) 2878 6888 |
| Fax number | (852) 2878 6800 |
| Amount and Type of paid-up shares | Paid-up 39,444,670 ordinary shares at par value US\$ 1.00 |

KGI (Thailand) Holdings Limited ("KTHL")

| | |
|-----------------------------------|---|
| % of holding by the Company | 100 % |
| Business Type | Investment |
| Address | P.O. Box 3340, Road Town, Tortola, British Virgin Islands |
| Telephone number | (852) 2878 6888 |
| Fax number | (852) 2878 6800 |
| Amount and Type of paid-up shares | Paid-up 20,000,000 ordinary shares at par value US\$ 1.00 |

(3) Information of references

| | |
|-------------------------|---|
| <u>Registrar</u> | Thailand Securities Depository Co., Ltd. |
| <u>Address</u> | No.62, The Stock Exchange of Thailand Building , 4 th , 6 th -7 th Floor, Rachadapisek Road, Klong Toey Sub-District, Klong Toey District, Bangkok 10110, Thailand |
| <u>Telephone number</u> | 66 (0) 2229-2800 |
| <u>Call Center</u> | 66 (0) 2229-2888 |
| <u>Fax number</u> | 66 (0) 2359-1259 |
| <u>Website</u> | www.tsd.co.th |
| <u>E-mail</u> | contact.tsd@set.or.th |

Auditor The the following auditors of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (“Deloitte”) to be the Company’s auditor for the 2014 accounting period.

| <u>Auditor’s name</u> | <u>Certified Public Account Number</u> |
|--------------------------------|--|
| 1. Mr. Chavala Tienpasertkij | 4301 |
| 2. Dr. Suphamit Techamontrikul | 3356 |
| 3. Mr. Niti Jungnitnirundr | 3809 |

| | |
|-------------------------|---|
| <u>Address</u> | No. 3, Rajanakarn Building, 25 th - 26 th , 28 th Floor, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120, Thailand |
| <u>Telephone number</u> | 66 (0) 2676-5700 |
| <u>Fax number</u> | 66 (0) 2676-5757 |
| <u>Website</u> | http://www.deloitte.com |

6.2 Other relevant information

Other information as an issuer of Derivative Warrants

1) Company Rating

TRIS Rating Co., Ltd. affirmed the Company rating at “BBB+” with “stable” outlook on 7th July 2014. The rating reflects the Company’s strong capital position, its sizable market share in securities brokerage, the strength and diversity of its lines of business and revenue base, and its ability to leverage the extensive experience and know-how of its major shareholder, KGI Group in Taiwan (KGI Taiwan). Find Company rating announcement on www.kgiworld.co.th

Rating Symbols and Definitions

TRIS Rating uses eight letter rating symbols for announcing credit ratings. The rating range from AAA, AA, BBB, BB, B, C and D. The AAA is highest rating and D is the lowest rating.

BBB : The rating indicates a company or a debt instrument with moderate credit risk. The Company has adequate capacity to pay interest and repay principal on time, but is more vulnerable to adverse changes in business, economic or other external conditions and is more likely to have a weakened capacity to pay interest and repay principal than debt in higher-rated categories.

The ratings from AA to C may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within a rating category.

2) Risk management of derivative warrants issued

2.1 Objective of DW Issuing

To provide new investment products to investors and to diversify the Company's income.

2.2 Hedging Strategy and Risk management

2.2.1 Hedging Strategy

To manage risk from DW issuing, the Company has hedging strategies such as:

a) Hedging Strategy of Underlying Stock Price

For Call Warrant, The Company has higher risk if the underlying stock price increases. The Company may lose from issuing Call Warrant. The Company will hedge by buying the underlying stock in proportion calculated from Net Delta Value. Therefore, the loss from DW issuing will be deducted by profit from the increase in the underlying stock.

For Put Warrant, the Company has higher risk if the underlying stock price decreases. The Company may lose from issuing Call Warrant. The Company will hedge by short selling the underlying stock in proportion calculated from Net Delta Value. Therefore, the loss from DW issuing will be deducted by profit from the short selling on the underlying stock.

b) Hedging Strategy for Volatility of Underlying Stock

For Call and Put Warrant, the Company has higher risk if volatility of the underlying stock increases. The Company may lose from issuing Call or Put Warrant. The Company will hedge through other products such as OTC Derivative, Structured Note, Derivative on related underlying stock or Options on TFEX. Those products may link to other underlying stocks or index that have the same direction with the underlying stock of the DW.

2.2.2 The Company's Risk Management System

In regards to the Company as the DW issuer, the Company has adopted a risk management framework on an integrated basis to manage risks across the enterprise effectively. The Company appointed the Risk Management Committee which is comprised of representatives of all business units as well as senior operational administrative executives, taking care of the overall risk of the Company. This includes the installation of a system to control and manage the credit and market risk. It also has established a standard operating procedure that was developed to reduce the risk of daily operations.

2.3 The role of top management in the risk management system

Besides the Risk Management Committee, the Company's Risk Management Department coordinates and facilitates management in implementing the risk management according to the assigned policy, including regularly monitoring and reporting on the risk status to the Company's top management, and continually instills a risk management culture to executives and employees.

2.4 Supervision to comply with regulations to maintain position and liquidity of DW issuing

Net Capital Rule and Net Capital Ratio (NCR)

The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Capital Rule must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees.

2.5 DW issued by the Company for the last 2 years and underlying company information (see Attachment 4)

2.6 Conflict of interest of DW issuing

In the case that the Company or its affiliates have conducted business and/or performed other duties as per its approval, including but not limited to investment advisory, financial advisory and/or proprietary

trading in which conflict of interest concerning the issuance of DW might have been caused, for the purpose of fair treatment and the prevention of any investment's advantage/disadvantage gain or lose by the Company and clients, the Company has determined a procedure on prevention of conflict of interest emphasizing insider trading. Under such procedure, any department who performs its duties as investment advisory, financial advisory and proprietary trading will presumably possess equivalent status as that of the normal client. The department will have no right to receive information or research paper which differs from other clients of the Company.

2.7 Guarantor of DW and associated contracts of DW Issuer (if any)

- None –

2.8 Details of the sale of derivative warrants which is fully insured or partially insured. (If any)

- None –

PART 2

MANAGEMENT AND CORPORATE GOVERNANCE

7. Company information and Shareholders

7.1 Registered Capital and Paid up Capital

As of 31st December 2014, the Company had total registered capital and paid-up capital of Baht 1,991,763,130 (1,991,763,130 shares with par value of Baht 1.00 per share). The Company listed on the Stock Exchange of Thailand as “KGI”.

7.2 The Company’s shareholders

Major Shareholders

RICHPOINT COMPANY LIMITED (Registered in British Virgin Islands), is the Company’s major shareholder, owning approximately 35% of the Company’s shares as of 14th March 2014 (the registration close book date). The top ten shareholders are as follows:

| | List of Shareholders As of 14 th March 2014 | No. of share | % |
|----|---|----------------------|----------------|
| 1 | RICHPOINT COMPANY LIMITED* | 696,614,400 | 34.97% |
| 2 | Thai NVDR Company Limited | 198,797,895 | 9.98% |
| 3 | Mr. Songsak Jitjejun | 28,937,000 | 1.45% |
| 4 | EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD | 19,837,300 | 1.00% |
| 5 | Mr.Dusit Supaniratsai | 14,753,900 | 0.74% |
| 6 | Mr. Kanok Tungjairakkandee | 10,231,000 | 0.51% |
| 7 | EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES | 9,781,400 | 0.49% |
| 8 | NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND | 8,320,200 | 0.42% |
| 9 | Mrs. Charoenwan Jitjejun | 7,010,000 | 0.35% |
| 10 | Mr. Komsan Thammapiwan | 6,835,575 | 0.34% |
| | Others | 990,644,460 | 49.74% |
| | Total | 1,991,763,130 | 100.00% |

Note * RICHPOINT COMPANY LIMITED – 100% owned by KGI Securities Company Limited, Taiwan. KGI Securities Company Limited, is a market leading securities company, providing services in a range of areas including brokerage, proprietary trading, underwriting, fixed income, and a variety of derivatives.

7.3 Other Issue of Securities

As os 31st December 2014, no convertible securities or warrant or debentures are issued by the Company.

Note: The Company is the first securities company to launch Derivative Warrants (“DW”) since 2009. In 2014, the Company launched 205 DWs. (see Other information as an issuer of Derivative Warrants in no.2.1.13 and no. 6.2)

(Derivative Warrants (“DW”), are financial instruments that the issuers give rights to the buyers to buy the underlying securities in the future at a pre-determined price, quantity and period as specified by the issuers. A DW issuer is a third party, which is not a listed company issuing the underlying securities.)

7.4 Dividend Policy

The Company’s dividend policy (pay to shareholders)

The Company’s dividend policy is “Any dividend payment will be considered by the Board of Directors and, if approved, be proposed to the shareholders, on a case by case basis, and will take into account prevailing business conditions, outlook, investment opportunities, and other relevant factors.”

In 2014, the Company had separate financial statements profits of Baht 733 million and separate financial statements earnings per share of Baht 0.37. The Company has thoroughly considered the prevailing

business conditions, outlook, investment opportunities, and other relevant factors. The Company has sufficient cash flow to pay a dividend from the 2014 operating results of Baht 0.365 per share which is in line with the Company's dividend policy. The proposed dividend is equivalent to a payout ratio of 99% of separate financial statements profits and amounts to approximately Baht 727 million. The proposed dividend will be paid on 7th May 2015 after obtaining approval from the Annual General Shareholders Meeting No. 1/2015.

5-Year Dividend Payment History

| Separate financial statements | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-------|-------|-------|-------|-------|
| Earnings per share (Baht per share) | 0.363 | 0.232 | 0.278 | 0.404 | 0.124 |
| Dividend per share (Baht per share) | 0.360 | 0.230 | 0.250 | 0.330 | 0.100 |
| Dividend payout ratio (% of separate financial statements profits) | 99% | 99% | 90% | 82% | 81% |

The Subsidiary's dividend policy (pay to the Company)

For our subsidiary's dividend policy, the subsidiary's board will recommend and propose the appropriate dividend to the subsidiary's shareholders by looking at the profit of the subsidiary company and available investment opportunities.

8. Management Structure

Directors and executives are performing their duties for the best interest for the Company and shareholders. The Board is comprised of 12 directors, each director has various qualifications, skills, experience, and expertise that are useful to the Company. The Company has considered an appropriate Board Structure and balanced their responsibilities as follows:

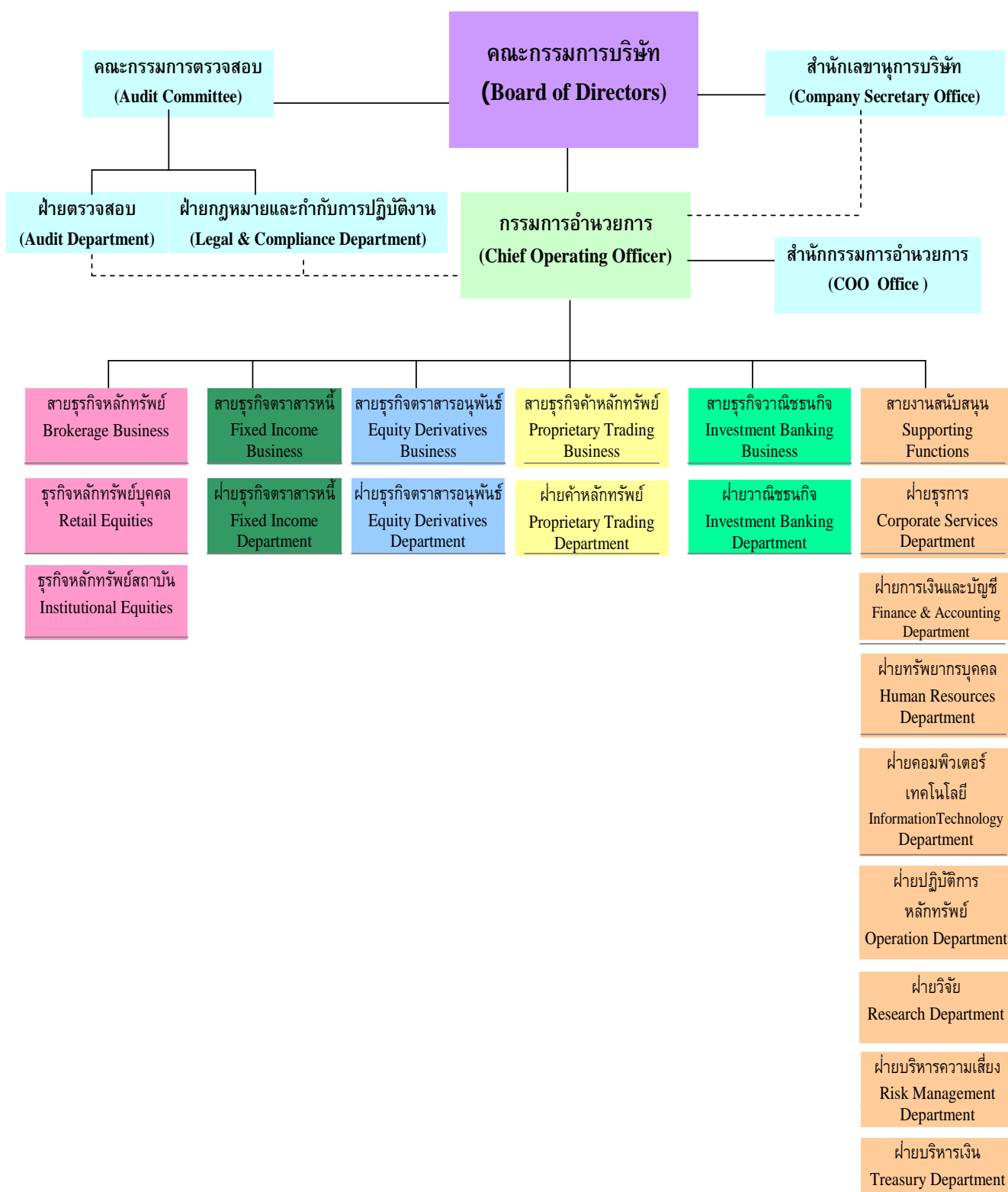
1. The Chairman of the Board of Directors is not the same person as the Chief Operating Officer, in order to achieve a balance of power.
2. There are 4 independent directors which are 1/3 of all directors, following the SEC's regulations
3. There are 4 representative directors from major shareholder, which are 1/3 of all directors and proper with the portion of share holding.
4. The Company has Audit Committee, which was composed of 3 Independent Directors. The Committee performed its duties as the SET's regulations and to perform any other act as assigned by the Board of Directors. All 3 have adequate expertise and experience to review the creditability of the Company's financial reports.
5. The Company has the Company Secretary to provide regulatory advice to the Board, and monitors compliance to the Board's resolutions and Shareholders' resolution.

8.1 Board of Directors

As of 31st December 2014, the Company's Board of Directors consisted of the following 12 members; in 2014, the Company had 6 Board of Directors' meetings; details of attendance of each director are as follows:

| Name | Position | Board meeting | | |
|-------------------------------|---|---------------|-----------------------------|-----------------------|
| | | Total meeting | Attendance Record | Reason for absence |
| 1. Mr. Foong Hock Meng | -Chairman | 6 | 6 | - |
| 2. Dr. Pisit Leeahtam | -Vice Chairman -Independent Director -Audit Committee Chairman -Nomination Committee Chairman | 6 | 5 | Urgent meeting abroad |
| 3. Dr. Don Bhasavanich | -Director -Independent Director -Audit Committee | 6 | 6 | - |
| 4. Mr. Pradit Sawattananond | -Director -Independent Director -Audit Committee -Compensation Committee - Nomination Committee - ESOP Committee | 6 | 6 | - |
| 5. Mr. Picharn Kullavanijaya | -Director -Independent Director | 6 | 6 (1 attending by phone) | - |
| 6.Mr. Wei Chang Fang | -Director -Risk Management Committee Chairman -Debt Recovery Committee Chairman -Human Resource Committee Chairman -ESOP Committee Chairman | 6 | 6 | - |
| 7. Ms. Bee Leng Ooi | -Director -Nomination Committee -Risk Management Committee -Human Resource Committee -ESOP Committee | 6 | 6 | - |
| 8. Ms. Suchada Sodthibhaphkul | -Director -Executive Director -Risk Management Committee -Debt Recovery Committee -Human Resource Committee | 6 | 6 | - |
| 9. Mr. Wisit Wongpaisan | -Director -Nomination Committee -Risk Management Committee | 6 | 6 | - |
| 10. Mr. Chin-Lung Tseng | -Director -Compensation Committee Chairman | 6 | 6 | - |
| 11. Ms. Pi-Lin Huang | -Director | 6 | 5 | Urgent meeting abroad |
| 12. Mr. Yen, Chih-Chien | -Director | 6 | 4 | Urgent meeting abroad |

Organization Chart



8.2 Management

As of 31st December 2014, Company's Management (Definition of management in accordance with notification of SEC) consisted of the following 23 members:

| No. | Name | Title |
|-----|------------------------------|---|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Ms. Bee Leng Ooi | Managing Director |
| 3. | Ms. Suchada Sodthibhaphkul * | Executive Director |
| 4. | Mr. Somchai Kanjanapetcharat | Senior Managing Director, Retail Equity Business |
| 5. | Mr. Suthep Rungsiam | Managing Director, Brokerage Business |
| 6. | Ms. Jariya Posayajinda | Managing Director, Proprietary Trading Department |
| 7. | Mr. Apichart Tungkiatsilp | Managing Director, Fixed Income Department |
| 8. | Ms. Saranya Larksukthom | Senior Executive Vice President, Operation Department |
| 9. | Mr. Somchai Siripaiboolpong | Executive Vice President, Retail Equity Business |
| 10. | Ms. Songsri Chawengsataporn | Executive Vice President, Retail Equity Business |
| 11. | Ms. Dutsanee Pamontip | Executive Vice President, Retail Equity Business |
| 12. | Ms. Warunlak Aiemmeechai | Executive Vice President, Retail Equity Business |
| 13. | Mr. Viwat Charoenthangvitaya | Executive Vice President, Retail Equity Business |
| 14. | Mr .Kamthorn Chinsakuljaroen | Executive Vice President, Retail Equity Business |
| 15. | Mr. Hua-Feng Chang | Executive Vice President, Retail Equity Business |
| 16. | Ms. Patchpon Sankaburanuruk | Executive Vice President, Investment Banking Department |
| 17. | Mr. Jenvit Chinkulkitniwat | Executive Vice President, Equity Derivatives Department |
| 18. | Ms. Inchaya Chatchersak | Executive Vice President, Human Resources Department |
| 19. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 20. | Ms. Acharee Turongsomboon | Executive Vice President, Treasury Department |
| 21. | Mr. Itphong Saengtubtim | Executive Vice President, Research Department |
| 22. | Ms. Nantararat Surakkhaka | Executive Vice President, COO Office Support Department. |
| 23. | Ms. Nongluk Ningsanond | Executive Vice President, Company Secretary Office. |

Note: * Ms. Suchada Sodthibhaphkul, Managing Director, has retired from the Company effective on 1st November 2014. However, Ms. Suchada Sodthibhaphkul will continue to be an Authorized Director of the Company. And the Company approved the appointment of Ms. Suchada Sodthibhaphkul, as the Executive Director of the Company for period November 2014 - October 2015 (under a Co-Management Contract pursuant to the SEC Notification topic Approval of Co-Management Contract of Securities Company No. OrThor/Nor 9/2541)

8.3 Company Secretary

The Board of Directors has approved the appointment of Ms. Nongluk Ningsanond, as the Company Secretary since 6th November 2012. Details and Responsibilities of Company Secretary as attachment 1.

8.4 Compensation of Directors and Managements

The Company's compensation policy for directors and managements is comparable to the industry standard, and takes into account various factors including the experience, roles and responsibilities, and contributions of each person. The compensation of directors requires approval from the shareholders' meeting. The board has delegated the compensation of top management to the Compensation Committee for approval.

8.4.1. Monetary Compensation

A) Monetary Compensation for Directors

Directors' compensation consists of Monthly allowance, attendance allowance and bonus. In 2014, the Company paid remuneration for directors of Baht 23.56 million³ as follows:

| Name | Position | Total Compensation for 2014 (Baht) | | | |
|-------------------------------|--|------------------------------------|-----------------|-----------------------------|-------------------|
| | | Board | Audit Committee | Travelling and Accomodation | Total |
| 1. Mr. Foong Hock Meng | • Chairman | 4,220,000 | - | - | 4,220,000 |
| 2. Dr. Pisit Leeahtam | • Vice Chairman • Independent Director • Audit Committee Chairman • Nomination Committee Chairman | 4,140,000 | 200,000 | - | 4,340,000 |
| 3. Dr. Don Bhasavanich | • Director • Independent Director • Audit Committee | 1,760,000 | 150,000 | - | 1,910,000 |
| 4. Mr. Pradit Sawattananond | • Director • Independent Director • Audit Committee • Compensation Committee • Nomination Committee • ESOP Committee | 1,760,000 | 150,000 | - | 1,910,000 |
| 5. Mr. Picharn Kullavanijaya | • Director • Independent Director | 1,740,000 | - | 855,991 | 2,595,991 |
| 6. Mr. Wei Chang Fang | • Director • Risk Management Committee Chairman • Debt Recovery Committee Chairman • Human Resource Committee Chairman • ESOP Committee Chairman | - | - | - | - |
| 7. Ms. Bee Leng Ooi | • Director • Nomination Committee • Risk Management Committee • Human Resource Committee • ESOP Committee | - | - | - | - |
| 8. Ms. Suchada Sodthibhaphkul | • Director • Executive Director • Risk Management Committee • Debt Recovery Committee • Human Resource Committee | 40,000 | - | - | 40,000 |
| 9. Mr. Wisit Wongpaisan | • Director • Nomination Committee • Risk Management Committee | 3,800,000 | - | - | 3,800,000 |
| 10. Mr. Chin-Lung Tseng | • Director • Compensation Committee Chairman | 1,400,000 | - | - | 1,400,000 |
| 11. Ms. Pi-Lin Huang | • Director | 1,400,000 | - | - | 1,400,000 |
| 12. Mr. Yen, Chih-Chien | • Director | 1,940,000 | - | - | 1,940,000 |
| TOTAL | | 22,200,000 | 500,000 | 855,991 | 23,555,991 |

B) Monetary Compensation of Management

In 2014, the Company paid compensation including salary and bonus to 24 management (includes 1 management who resigned during the year and 1 management who retired during the year), amounting to Baht 167.17 million.

C) Monetary Compensation of Executive Director

The Company approved the appointment of Ms. Suchada Sodthibhaphkul, as the Executive Director of the Company for period November 2014 - October 2015 In 2014. In 2014, the Company paid compensation to 1 executive Director amounting to Baht 0.63 million.

8.4.2 Other Compensation

A) Other Compensation of Directors

In 2014, the company paid golf membership, car rental, gasoline, driver, mobile phone, life/accident insurance fee expenses for directors, amounting to Baht 3.24 million.

B) Other Compensation for Management

- Provident Fund

The Company has jointly established a provident fund. The Company contributed to the fund monthly at the same rate of 5 percent of basic salary. The funds will be paid to employees upon termination in accordance with the rules of the fund.

In 2014, the Company contributed to the fund of 24 managements (includes 1 management who resigned during the year and 1 management who retired during the year), amounting to Baht 3.61 million.

- Welfare

The Company provides yearly health check-ups, good welfare for IPD and OPD medical expenses for its employee. For IPD the welfare covers employees' families, spouse and children. In 2014, the Company paid health welfare to 24 managements (includes 1 management who resigned during the year and 1 management who retired during the year), amounting to Baht 0.81 million.

- Others

In 2014, the company paid golf membership, car rental, gasoline, driver, mobile phone, life/accident insurance fee expenses for 24 managements (includes 1 management who resigned during the year and 1 management who retired during the year), amounting to Baht 10.98 million.

C) Other Compensation for Executive Director

In 2014, the company paid car rental, gasoline, driver, mobile phone, life/accident insurance fee expenses for 1 Executive Director amounting to Baht 0.20 million.

8.5 Employees

As of 31st December 2014, the Company had a total of 569 employees. Total compensation paid to all employees in 2014 was Baht 726.25 million, which consisted of salary, overtime payment, cost of living allowance, bonus and provident fund. Furthermore, One Asset Management Limited, the Company's subsidiary, had a total of 125 employees and also paid same compensation of Baht 138.86 million to its employees. The Company has no significant labor disputes in the last 3 years.

Total employees and compensation

| Year 2014 | Company | ONEAM ^{/2} | HOLDCO ^{/3} | KTHL ^{/4} |
|---|---------------------------------|---------------------------------|----------------------|--------------------|
| Management (person) ^{/1} | 23 | 11 | - | - |
| Total Business Unit employee (person) | 412 | 48 | - | - |
| Risk Management Department employee (person) | 4 | 2 | - | - |
| Audit Department employee (person) | 7 | 5 | - | - |
| Legal & Compliance Department employee (person) | 8 | 2 | - | - |
| Other supporting employee (person) | 115 | 57 | - | - |
| Total (person) | 569 | 125 | - | - |
| Number of employee in Head Office (person) (From total employee) | 437 (From total 569 persons) | 125 (From total 125 persons) | - | - |
| Total compensation of employee (Baht million) | 726.25 | 138.86 | - | - |

Note

/1 The company defines management in accordance with notification of SEC, which rank Executive Vice President and higher

/2 ONEAM: One Asset Management Limited, 99% owned by the Company.

/3 HOLDCO : KGI Securities (Thailand) International Holdings Limited , 100% owned by the Company

/4 KTHL : KGI (Thailand) Holdings Limited, 100% owned by the Company

Policy on Development of Employees

The Company is aware that employees are the most valuable asset. Therefore, the Company has a policy to enhance the development of its employee as follows:

1. The Company enhances and develops every employee to have good quality, knowledge, and capacity and supports them using their full potential to grow together with the Company.
2. The Company gives employees opportunities to study and develop themselves both locally and abroad.
3. The Company emphasizes developing employees to be efficient and knowledgeable to be more productive and ready for any changes in the future.
4. The Company ensures the budget is appropriate and adequate to develop staff at every level.

In 2014, the Company arranged a total of 28 internal training courses and encouraged employees to attend external training courses numbering more than 70. The total number of training course participants was more than 2,000. On average, each employee attend 16 hours of training in 2014.

The Company encourages employees to compete in sports such as football and badminton, and enters teams in competitions with other securities companies. This not only supports healthy employee behavior but also builds good relationships between employees within the Company and within the securities industry.

9. Corporate Governance

9.1 Corporate Governance Policies

The Company shall abide with Good Corporate Governance so that quality of management is effective, transparent and accessible. The Good CG will enhance confidence and trust from shareholders, investors, stakeholders, and related parties. The Good CG is a tool to increase value and enhance stable growth to the Company.

The Board of Directors Meeting had approved the Good Corporate Governance Policy in writing and has a policy to review the policy and implementation of the policy once a year. The Company follows the Corporate Governance for listed companies in 5 categories, as follows.

- 1) Right of Shareholders
- 2) Equitable Treatment of Shareholders
- 3) Roles of Stakeholders
- 4) Disclosure and transparency
- 5) Responsibilities of the Board

(See the Corporate Governance Policies and the Implement of Corporate Governance Report in 2014 in the Company's website at www.kgiworld.co.th)

9.2 The Sub-committees

Beside the Board of Director which perform their duties to manage the Company's business, the Company structure consisting of the 12 Committees, which are

- | | |
|------------------------------|---|
| 1) Audit Committee | 7) Human Resource Committee |
| 2) Compensation Committee | 8) Disciplinary Committee |
| 3) Nomination Committee | 9) Welfare Committee |
| 4) Risk Management Committee | 10) Health and Environment Committee |
| 5) Debt Recovery Committee | 11) ESOP Committee |
| 6) Purchasing Committee | 12) Corporate Governance (CG) Committee |

The Board of Director and the 12 committee has member and its roles and responsibilities as follows:

The Board of Directors

As of 31st December 2014, the Board of Directors was composed of 12 Directors as follows:

| No. | Board Director | Board Position |
|-----|-----------------------------|--------------------------------------|
| 1. | Mr. Foong Hock Meng | Chairman |
| 2. | Dr. Pisit Leeahtam | Vice Chairman (Independent Director) |
| 3. | Dr. Don Bhasavanich | Director (Independent Director) |
| 4. | Mr. Pradit Sawattananond | Director (Independent Director) |
| 5. | Mr. Picharn Kullavanijaya | Director (Independent Director) |
| 6. | Mr. Wei Chang Fang * | Director |
| 7. | Ms. Bee Leng Ooi * | Director |
| 8. | Ms. Suchada Sodthibhapkul * | Director |
| 9. | Mr. Wisit Wongpaisan | Director |
| 10. | Mr. Chin-Lung Tseng | Director |
| 11. | Ms. Pi-Lin Huang | Director |
| 12. | Mr. Yen, Chih-Chien | Director |

Note * Any two from three Authorized Directors shall be required to bind the Company

Roles and responsibilities of the Board

1. The Board shall perform their duties in conformity with laws, and carry on the businesses of the Company in accordance with the laws, the Company's objectives and the Articles of Association;
2. The Board review and approve key business matters, such as strategy, financial targets, risks, major plans of action and budget and monitor the compliance of management on approved policies and plans;
3. The Board set a written corporate governance policy for the Company and review the policy and compliance to the policy regularly, at least annually;
4. The Board ensure that a written code of business conduct be in place so that all Directors, Executives and employees understand business ethical standards of the Company;
5. The Board considers any conflict of interests thoroughly. Persons who have vested interests in a given transaction shall not participate in decision-making process. There is clear guidelines on the approval of transactions with conflict of interests, the transactions are conducted for the best interests of the Company and all shareholders. The Board also monitor compliance with regulations regarding criteria, procedures and disclosure of transactions with conflict of interests.;
6. The Board ensures that an internal control system is in place, including financial, compliance, and policy controls. The Board assigns Audit Department and Legal and Compliance Department to audit and report on the system. The Board of Directors will do the self assessment questionnaire on the adequacy of the internal control system every year and disclose on the Company's Annual Report;
7. The Board assigned the Risk Management Committee to approve the Risk Management policy to cover all activities of the Company, and assigned Risk Management Department to implement the policy;
8. The Board set clear procedures on whistle blowing for related parties or stakeholders and ensure the Company has protective measures to keep the whistleblowers' names confidential. The reported incidents shall be investigated in line with the Company's set policy;
9. The Board have clear procedures on governing its subsidiaries in order to protect investor benefits including assigning directors of its subsidiaries to control management under the policies of the parent company, including transactions related to securities and exchange laws or SET regulations;

The Audit Committee

As of 31st December 2014, the Audit Committee was composed of 3 Independent Directors. All of the Independent Directors have attended director training programs of the Thai Institute of Directors Association (“IOD”). All 3 have adequate expertise and experience to review the creditability of financial reports (see training program of each director in Attachment 1). The Company appointed Ms. Sirima Prapapanich acts as the Secretary of the Audit Committee.

In 2014, the Audit Committee had 5 meetings and details of attendance of each director are as follows

| No. | Name | Position | Attendance Record / Total Meeting |
|-----|--------------------------|--|-----------------------------------|
| 1. | Dr. Pisit Leeahtam | Chairman of Audit Committee / Independent Director | 4 / 5 |
| 2. | Dr. Don Bhasavanich | Audit Committee / Independent Director | 5 / 5 |
| 3. | Mr. Pradit Sawattananond | Audit Committee / Independent Director | 5 / 5 |

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has the following scope of duties and responsibilities, and reports to the Board of Directors.

- 1 To review the Company’s financial reporting process to ensure its accuracy and adequacy;
- 2 To review the Company’s internal control systems and internal audit systems to ensure that they are suitable and efficient;
- 3 To review the Company’s compliance with laws relating to securities and the stock exchange, the SET’s regulations, and laws relating to the Company’s business;
- 4 To consider, select and nominate an independent person to be the Company’s auditor, and to propose such person’s remuneration, and to attend a meeting with the auditor at least once a year at which the Company’s management is not present;
- 5 To review any connected transactions, or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the relevant laws and the SEC/SET’s regulations, and that they are in the best interests of the Company;
- 6 To review the Company’s risk management policies and procedures to ensure that they are suitable and efficient;
- 7 To prepare and to disclose in the Company’s Annual Report, an Audit Committee Report which must be signed by the Audit Committee’s chairman and contain at least the following information:
 - 7.1 an opinion on the accuracy, completeness and creditability of the Company’s financial statements;
 - 7.2 an opinion on the adequacy of the Company’s internal control systems;
 - 7.3 an opinion on the compliance with the relevant laws relating to securities and the stock exchange, the SET’s regulations, and other laws relating to the Company’s business;
 - 7.4 an opinion on the suitability of the auditor and its auditing fee;
 - 7.5 an opinion on any transactions that may involve conflicts of interests;
 - 7.6 the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - 7.7 an opinion or overview comment by the Audit Committee regarding the performance of its duties in accordance with the charter;
 - 7.8 any other transactions which, in the Audit Committee’s opinion, should be disclosed to the Company’s shareholders and general investors.
- 8 In the performance of its duties, if it is found or suspected that a transaction or any of the following acts has taken place, which may materially affect the Company’s financial condition or operating results,

the Audit Committee shall report it to the Board of Directors for rectification within a period of time to be set by the Audit Committee.

- 8.1 a transaction which causes a conflict of interest,
- 8.2 any fraud, irregularity, or material defect in an internal control system,
- 8.3 an infringement of the laws relating to securities or the stock exchange, the SET's regulations, or any other law relating to the Company's business.

If the Board of Directors or management fails to make a rectification within the specified time, any Audit Committee member may report the transaction or act to SEC or SET.

- 9 If the auditor becomes suspects that a director, manager, or any person responsible for the Company's operations has violated any relevant securities law, they should report the evidence relating to such event to the Audit Committee for investigation immediately. The Audit Committee will report the results of its preliminary investigation to the Office of the Securities and Exchange Commission and to the auditor within 30 days. Notification of the suspicious events and procedures for investigating such shall comply with the notification of the Capital Market Supervisory Board.
- 10 To perform any other act as assigned by the Board of Directors and accepted by Audit Committee.

Compensation Committee

As of 31st December 2014, the Company's Compensation Committee consisted of 3 members and there were 2 meeting in 2014, details of attendance of each director are as follows:

| No. | Name | Position | Attendance Record / Total Meeting |
|-----|--------------------------|--|-----------------------------------|
| 1. | Mr. Chin-Lung Tseng | Compensation Committee Chairman | 2/2 |
| 2. | Mr. Pradit Sawattananond | Compensation Committee Member / Independent Director | 2/2 |
| 3. | Ms. Yuan-Chen Chiu | Compensation Committee Member | 2/2 (Call conference) |

Scope of duties and responsibilities of the Compensation Committee

1. To consider and approve the compensation of the Company's top management;
2. To set the criteria, components, structure and form of payment of the Directors, to ensure their interests are aligned with those of the shareholders;
3. To recommend the compensation of the Directors to the Board for approval and proposal to a shareholders' meeting for final approval.

Nomination Committee

As of 31st December 2014, the Company's Nomination Committee consisted of 4 members and there was 1 meeting in 2014, details of attendance of each director are as follows:

| No. | Name | Position | Attendance Record / Total Meeting |
|-----|--------------------------|--|-----------------------------------|
| 1. | Dr. Pisit Leeahtam | Nomination Committee Chairman / Independent Director | 1/1 |
| 2. | Mr. Pradit Sawattananond | Nomination Committee Member / Independent Director | 1/1 |
| 3. | Ms. Bee Leng Ooi | Nomination Committee Member | 1/1 |
| 4. | Mr. Wisit Wongpaisan | Nomination Committee Member | 1/1 |

Scope of duties and responsibilities of the Nomination Committee

Nomination Committee is responsible for selection of qualified candidates to be directors and top management and proposes to Board's meeting for approval.

Risk Management Committee

The Risk Management Committee consists of executives from both business units and support units. As of 30th December 2014, there are 17 members as follows:

| No. | Name | Position |
|-----|------------------------------|---|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Mr. Wisit Wongpaisan | Director |
| 3. | Ms. Bee Leng Ooi | Managing Director |
| 4. | Ms. Suchada Sodthibhaphkul | Executive Director |
| 5. | Mr. Somchai Kanjanapetcharat | Senior Managing Director, Retail Equity Business |
| 6. | Ms. Jariya Posayajinda | Managing Director, Proprietary Trading Department |
| 7. | Mr. Apichart Tungkiatsilp | Managing Director, Fixed Income Department |
| 8. | Ms. Saranya Larksukthom | Senior Executive Vice President, Operation Department |
| 9. | Ms. Patchpon Sankaburanuruk | Executive Vice President, Investment Banking Department |
| 10. | Mr. Jenvit Chinkulkitniwat | Executive Vice President, Equity Derivatives Department |
| 11. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 12. | Ms. Nongluk Ningsanond | Executive Vice President, Company Secretary Office |
| 13. | Ms. Acharee Turongsomboon | Executive Vice President, Treasury Department |
| 14. | Mr. Mark Antony Hodge | Senior Vice President, COO Office |
| 15. | Ms. Kannikar Pradiskesorn | Senior Vice President, Institutional Equity Business |
| 16. | Mr. Thanachai Meechoke * | Senior Vice President, Legal & Compliance Department |
| 17. | Mr. Chi-Chih Huang | Assistant Vice President, Information Technology Department |

Note: *Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakkhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

Scope of duties and responsibilities of the Risk Management Committee

1. To approve the Company's Risk Management Policy, and to regularly review or amend that policy to take account of new risks or market developments;
2. To consider and approve any transactions that impact the Company's risk management;
3. To consider and approve the issuance of new products (Product Program);
4. To approve and review the risk budget of the Company's proprietary trading team at least once a year;
5. To manage all Company's risks, such as credit risk, market risk, liquidity risk, operational risk, IT risk, to ensure that the Company's risk policy is followed;
6. To consider and approved credit limits according to Account Opening Policy and Procedure;
7. To consider and approve Business Continuity Management ("BCM") and Business Continuity Plan ("BCP");
8. Other duties as assigned by the Board of Directors or management.

The scope of duties and responsibilities of the Risk Management Committee which are described in its filings for the issue of DWs are consistent with those described above.

In addition, to avoid violation of Chinese wall, the company also established 4 sub-committees under the Risk Management Committee as follows:

A) Credit Risk Sub-committee (for Brokerage Business): consisted of the following 6 members:

| No. | Name | Position |
|-----|------------------------------|---|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Ms. Suchada Sodthibhapkul | Executive Director |
| 3. | Mr. Somchai Kanjanapetcharat | Senior Managing Director, Retail Equity Business |
| 4. | Mr. Suthep Rungsiam | Managing Director, Brokerage Business |
| 5. | Ms. Saranya Larksukthom | Senior Executive Vice President, Operation Department |
| 6. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Dept. |

Scope of duties and responsibilities of Credit Risk Sub-committee

1. To consider and approved credit limits;
2. To consider and approved Account Opening Policy and Procedures;
3. To consider and approved Credit Balance Policy and Procedures;
4. To set stock concentration limits and to review them on a regular basis;
5. To consider and approve any issue related to credit balance and Stock Borrowing and Lending;
6. To consider and approve the refinancing of credit balance clients;
7. To consider and approve company's Turnover List.

B) Trading Risk Sub-Committee (for Trading Business): consisted of the following 5 members:

| No. | Name | Position |
|-----|---------------------------|---|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Mr. Wisit Wongpaisan | Director |
| 3. | Ms. Bee Leng Ooi | Managing Director |
| 4. | Ms. Suchada Sodthibhapkul | Executive Director |
| 5. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |

Scope of duties and responsibilities of Trading Risk Sub-committee

1. To consider and approve trading policies, including approval of the procedures of related businesses, such as REPO, SBL;
2. To consider and approve the temporary limit and market risk budgeting for Proprietary Trading Department / Fixed Income Department and Equity Derivatives Department under the total limit approved by the Risk Management Committee;
3. To consider and approve the adjustment of the trading limits for ETF business.

C) Investment Banking Risk Sub-committee (for Investment Banking Business): consisted of the following 5 members:

| No. | Name | Position |
|-----|---------------------------|---|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Mr. Wisit Wongpaisan | Director |
| 3. | Ms. Bee Leng Ooi | Managing Director |
| 4. | Ms. Suchada Sodthibhapkul | Executive Director |
| 5. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |

Scope of duties and responsibilities of Investment Banking Risk Sub-committee

1. To approve underwriting deals;
2. To approve other investment banking business.

D) Information Technology Security Risk Sub-committee : consisted of the following 6 members:

| No. | Name | Position |
|-----|----------------------------|--|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Ms. Bee Leng Ooi | Managing Director |
| 3. | Ms. Suchada Sodthibhaphkul | Executive Director |
| 4. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. | Ms. Sirima Prapapanich | Senior Vice President, Audit Department |
| 6. | Mr. Chi-Chih Huang | Assistance Vice President, Information Technology Department |

Scope of duties and responsibilities of Information Technology Security Risk Sub-committee

1. To consider and approve matters that may impact to the Company's information technology systems;
2. To ensure that the IT resources of the Company are used effectively;
3. Comment or advise on the risks relating to Information Technology security.

Debt Recovery Committee

As of 31st December 2014, the Company's Debt Recovery Committee consisted of 5 members as follows:

| No. | Name | Position |
|-----|----------------------------|---|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Ms. Suchada Sodthibhaphkul | Executive Director |
| 3. | Ms. Saranya Larksukthom | Senior Executive Vice President, Operation Department |
| 4. | Ms. Khunmira Thunnom | Executive Vice President, Finance & Accounting Department |
| 5. | Mr. Thanachai Meechoke * | Senior Vice President, Legal & Compliance Department |

Note: *Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakkhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

Scope of duties and responsibilities of Debt Recovery Committee

1. To periodically review the progress of debt recovery from time to time;
2. To set guidelines and criteria for restructuring of doubtful debts;
3. To approve settlements with debtors;
4. To monitor and approve management/sale of real estate portfolio incurred from the debt recovery;

Purchasing Committee

As of 31st December 2014, the Company's Purchasing Committee consisted of 5 members as follows:

| No. | Name | Position |
|-----|------------------------------|--|
| 1. | Ms. Kobkarn Cholchanupatumpa | Executive Vice President, Human Resources Department |
| 2. | Ms. Inchaya Chatchersak | Executive Vice President, Human Resources Department |
| 3. | Ms. Nongluk Ningsanond | Executive Vice President, Company Secretary Office |
| 4. | Ms. Nantararat Surakkhaka | Executive Vice President , COO Office Support Department |
| 5. | Mr. Thanachai Meechoke * | Senior Vice President, Legal & Compliance Department |

Note: *Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakkhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

Scope of duties and responsibilities of Purchasing Committee

- Setting up and approving the purchasing process of the Company for items such as office equipment, computer systems and capital expenditure, including insurance of the Company's assets to comply with good internal control. The purchasing process includes:
 - Comparing prices, quality of products, and service;
 - Selecting lists of suppliers and vendors of products or services to have variety;
- To recommend negotiations with suppliers or vendors;
- To select and approve the suppliers and vendors of products or services appropriate for and in the best interest of the Company.

Human Resource Committee

As of 31st December 2014, the Company's Human Resource Committee consisted of 4 members as follows:

| No. | Name | Position |
|-----|----------------------------|--|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Ms. Bee Leng Ooi | Managing Director |
| 3. | Ms. Suchada Sodthibhaphkul | Executive Director |
| 4. | Ms. Inchaya Chatchersak | Executive Vice President, Human Resources Department |

Scope of duties and responsibilities of the Human Resource Committee

- To review and approve Human Resource related policies; and
- To review and approve promotions.

Disciplinary Committee

As of 31st December 2014, the Company's Disciplinary Committee consisted of 5 members as follows:

| No. | Name | Position |
|-----|---|--|
| 1. | Ms. Inchaya Chatchersak | Executive Vice President, Human Resources Department |
| 2. | Ms. Sirima Prapapanich | Senior Vice President, Audit Department |
| 3. | Mr. Thanachai Meechoke * | Senior Vice President, Legal & Compliance Department |
| 4. | Ms. Nantararat Surakkhaka | Executive Vice President , COO Office Support Department |
| 5. | The Department Head of the person being charged | |

Note: *Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakkhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

Scope of duties and responsibilities of the Disciplinary Committee

1. To investigate employee who violates the rules and regulations of the SEC and the SET or do not comply with the policies and procedures of the Company which may cause damage to the company;
2. To ensure the case will be considered fairly, by hereing from all concerned partie, and impose appropriate penalty.

Welfare Committee

As of 31st December 2014, the Company's Welfare Committee consisted of 7 members as follows:

| No. | Name | Position |
|-----|-------------------------------|---|
| 1. | Ms. Saranya Larksukthom | Senior Executive Vice President, Operation Department |
| 2. | Mr. Somchai Siripaiboolpong | Executive Vice President, Retail Equity Business |
| 3. | Ms. Songsri Chawengsataporn | Executive Vice President, Retail Equity Business |
| 4. | Mr. Kamthorn Chinsakuljaroen | Executive Vice President, Retail Equity Business |
| 5. | Ms. Kanlayanee Sontisuwan | Vice President, Human Resources Department |
| 6. | Ms. Suthinee Theerawitpreecha | Manager, COO Office |
| 7. | Ms. Chatkaew Kittayanusorn | Deputy Manager , Fixed Income Department |

Scope of duties and responsibilities of the Welfare Committee:

1. To join and cooperate with the employer in providing the necessary welfare for the employees;
2. To give advice and recommendations, as well as propose ideas, on ways for the employer to provide for the employees;
3. To check, control, and supervise the provision of the welfare extended to the employees by the employer;
4. To propose ideas and guidelines on providing useful welfare for the employees to the Company's management.

Health and Environment Committee

As of 31st December 2014, the Company's Health and Environment Committee consisted of 7 members as follows:

| No. | Name | Position |
|-----|-------------------------------|---|
| 1. | Ms. Saranya Larksukthom | Senior Executive Vice President, Operation Department |
| 2. | Ms. Suchada Wongrak | Senior Vice President, Corporate Services Department |
| 3. | Ms. Wipha Katikubanan | Vice President, Finance & Accounting Department |
| 4. | Mr. Surachet Amnuaywittayakul | Vice President, Legal & Compliance Department |
| 5. | Ms. Sirirat Chimkaew | Manager , Corporate Services Department |
| 6. | Ms. Petcharat Ongartpajon | Deputy Manager, Research Department |
| 7. | Ms. Pimploey Kankaew | Deputy Manager , Finance & Accounting Department |

Scope of duties and responsibilities of Health and Environment Committee

1. To determine regulations about the safety and safety standard for workplace;
2. To determine policy, plan, and activities about safety and working environment to protect and reduce the occurrence of accidents and the suffering of injury due to unsafe working conditions;
3. To set the course about the scope of duties and responsibilities of employees' safety;
4. To evaluate the implementation of safety of the Company's workplace.

ESOP Committee

As of 31st December 2014, the Company's ESOP Committee consisted of 5 members as follows:

| No. | Name | Position |
|-----|--------------------------|--|
| 1. | Mr. Wei Chang Fang | Chief Operating Officer |
| 2. | Mr. Pradit Sawattananond | Independent Director |
| 3. | Ms. Bee Leng Ooi | Managing Director |
| 4. | Ms. Inchaya Chatchersak | Executive Vice President, Human Resources Department |
| 5. | Ms. Yuan-Chen Chiu | Member |

Scope of duties and responsibilities of ESOP Committee

1. Determine allocation rules and conditions;
2. Review and approve the list of directors and/or employees eligible to receive the warrants;
3. Review and approve the amount of warrants allocated to directors and/or employees;
4. Determine exercise price, exercise period and other related conditions and other details as deemed necessary.

Corporate Governance Committee

As of 31st December 2014, the Company's Corporate Governance Committee consisted of 4 members as follows:

| No. | Name | Position |
|-----|--------------------------|--|
| 1. | Ms. Nongluk Ningsanond | Executive Vice President, Company Secretary Office |
| 2. | Ms. Inchaya Chatchersak | Executive Vice President, Human Resources Department |
| 3. | Ms. Sirima Prapapanich | Senior Vice President, Audit Department |
| 4. | Mr. Thanachai Meechoke * | Senior Vice President, Legal & Compliance Department |

Note: *Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

Scope of duties and responsibilities of CG Committee

1. Review and evaluate the implementations and propose to the Board of Directors to approve at least once a year;
2. Follow up the implementations accordance with the policy .

9.3 Nomination of Directors and Top management.Qualifications of Independent Directors

Independent directors of the Company are qualified as per SEC regulation as follows:

- (1) Any shareholding they, and any related persons, have is equivalent to not more than 1 percent of the paid-up capital of the Company, the parent company, any subsidiary company, associated company or major shareholder or any other juristic person which could result in a conflict of interest.
- (2) A director who is not an employee, staff member, or advisor who receives a regular salary, or a controlling person of the Company, the parent company, any subsidiary company or associated company, major shareholders, or of any other juristic person which could result in a conflict of interest, either at present or during the past two years. Not including a director who used to be a government official or advisor of any government department which is a major shareholder of the Company.
- (3) A director who has no biological or legal relationship such as; parent, spouse, sibling, child or spouse of the child with any of the company's executives, major shareholder, controlling person, or any person already proposed to be appointed as an executive or controlling person of the Company or its subsidiaries.
- (4) A director who has no business relationship* with the Company, the parent company, subsidiary company, associated company, major shareholders, or any conflict of interest with the company which would affect the ability of the director to provide independent opinions relating to the operations of the Company and a director who is not a major shareholder, or persons who have relationship with the Company, the parent company, any subsidiary company, associated company, major shareholder, or of any juristic person resulting in a conflict of interest, either at present or during the past two years.

*Business relationship includes transactions for operating the business, leasing, asset or services transactions, or financial subsidies such as loaning or borrowing, providing guarantees, giving assets as guarantee, and all behaviours which will affect the Company or counterparties have duties to liquidate in case that the value is from 3% of tangible assets of the Company or Baht 20 million up, up to the lower amount. However, the concept to calculate transaction follows the disclosure of the Securities and Exchange Commission and will calculate total liabilities which have been for one year before a director has business relationship with.

- (5) A director who is not and has never been an auditor of the Company, the parent company, any subsidiary company, associated company or any juristic person which might result in a conflict of interest. A director who is not a major shareholder or director (other than an independent director) or executive or partner of the audit company which has the auditor of the Company, the parent company, any subsidiary company or associated company or of any juristic person resulting in a conflict of interest, either at present or during the past 2 years .
- (6) A director who is not or never been a professional advisor, such as legal advisor or financial advisor that received service fees of more than Baht 2 million per year, for services for the Company, the parent company, any subsidiary company or associated company or of any juristic person resulting in a conflict of interest. In the case that the service provider is a juristic person, a director should never be a major shareholder, person with a conflict of interest, or partner of the juristic person, either at present or during the past 2 years.
- (7) A director who is not a representative of any of the Company's directors or major shareholder or a shareholder who is related to the Company's major shareholder.
- (8) A director who does not own or control any business which would result in a conflict of interest with the Company or any subsidiary company, and is not a partner of such a business or a director,

executive, employee, or advisor who receives a regular salary, or hold shares equivalent to more than 1 percent of the paid-up capital of such business.

- (9) No other characteristic that would prevent the director providing an independent opinion relating to the operations of the Company.

In 2014, the Company's independent directors have fully characteristics of SEC's regulation. They have no any business relationship with the Company or provide any services to the Company.

Criteria and Process for Nomination Director

In considering the nomination of directors, the Board of Directors will consider the opinion of the Nomination Committee which is considered the most appropriate to the operations of the company. The Nominating Committee will consider and recommend persons who have the qualifications listed below before submitting to the Board for approval. The Board of Directors will then propose at the shareholders' meeting for approval. Furthermore, the Company is a securities business under SEC's control; therefore, the directors of the company must receive approval from the SEC.

1. Meeting the qualifications stated in the Public Company Act, Securities and Exchange Act and the Good Corporate Governance of the Company.
2. Knowledgeable, capable, dedicated with suitable age and ability to perform director's duties with care and loyalty.
3. Has the skills of industry knowledge, accounting & finance, business judgment, management, business strategy, corporate governance and legal or others.

Appointment of Directors which Require Shareholder Approval

If the selection of director needs approval from shareholders, the director appointment has to receive the majority of votes from shareholders with the right to vote. Election of Directors shall be made at the shareholders' meeting according to the following procedure and rules;

- (a) Each shareholder shall have one vote for each share;
- (b) Each shareholders shall exercise all votes applicable under (a) in appointing one or more person to be a Director, but provided that any of the vote shall not be divisible; and
- (c) Person who has the most vote respectively shall be elected to be the Directors equivalent to the number of Directors required; in case the following persons be elected have equivalent vote, the Chairman shall have a casting vote.

In the case there is vacancy among the Directors other than a retirement by rotation, the Board shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event the period of time the Director is entitled to retain his office is less than two months. The person who is elected shall retain his office during such time only as the vacating Director was entitled to retain the same. The resolution of the Board of Directors shall consist of votes of not less than three-fourth of the remaining Directors.

Number of Representative Directors from Major Shareholder

RICHPOINT COMPANY LIMITED (100% owned by KGI Securities Company Limited, Taiwan), is the Company's major shareholder, owning approximately 35% of the Company's shares. It has 4 representative directors from Major Shareholder which are 1/3 of all directors, and proper with the portion of share holding, the list of representative directors from Major Shareholder are as follow:

| Director | Position |
|---------------------|----------|
| Mr. Foong Hock Meng | Chairman |
| Mr. Chin-Lung Tseng | Director |
| Ms. Pi-Lin Huang | Director |
| Mr. Yen, Chih-Chien | Director |

Process of Nominating Top Management

For the nomination of top management position “Chief Operating Officer”, the Nominating Committee will consider persons with appropriate qualifications, competence and experience that are beneficial to the company and understand the Company’s business. The Nominating Committee will then propose to the Board for approval. Furthermore, the Company is a securities business under SEC’s control; therefore, top management of the company must receive approval from the SEC.

Right of Shareholder to Propose the Candidate for Election as a Director

The Company allows shareholders to propose candidates for election as Director who have the qualifications set by the Public Company Act, Securities and Exchange Act. Shareholders can send their proposal to the Company Secretary at the address below. The Company Secretary will propose to the Board of Director for further consideration.

Submit documents

The Company Secretary Office

KGI Securities (Thailand) Public Company Limited

No.173 Asia Centre Building, 11th Floor, South Sathorn Road,

Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Thailand

9.4 Supervision of Business Operation in Subsidiaries Company

The Company has its mechanisms to control the operations of its subsidiaries, to protect the Company’s investment as follows:

1. Appoint a Company’s representative to act as director in subsidiary companies, the appointment shall be approved by the Board
2. The representative appointed as director in subsidiary companies has duties as follows:
 - 2.1 Get the Company’s Board approval prior to a vote on significant matters of the subsidiary.
 - 2.2 Act for the best benefit of that subsidiary company.
 - 2.3 Participate in the significant policy of the subsidiary.
 - 2.4 Oversee the subsidiary company to ensure it discloses accurate and complete information, such as financial statements, operating results, connected transactions and acquisition & disposition of assets.
 - 2.5 Oversee the subsidiary company to ensure it has appropriate internal control systems.

9.5 Prevention of the Misuse of Inside Information

The Board of Directors has set up a strictly policy to prevent the misuse of inside information. The punishment for those who do not follow the policy will be considered by the Disciplinary Committee. The policies are as follows:

1. Company’s directors and executives cannot trade the Company’s securities to seek benefits for themselves or related persons by using the Company’s information which has not been disclosed to public 1 month prior of disclosure of financial statements to the public.
2. In the case that directors or managers purchase or sell KGI securities, they must report the transaction to the SEC in accordance with Section 59 of Securities and Exchange Act and submit the copy one to the Company Secretary.
3. The Company Secretary reports changes in the holding of securities of directors and executives to the Board of Directors every quarter.
4. The Company informed all staff of the mentioned policies and procedures to have them implemented and followed up constantly.
5. Executives cannot conjoin to make decisions on any transactions which they have a conflict of interests with.

The Company has rules and regulations for staff relating to securities trading, including rules on the prohibition of use of inside information. For example, Legal and Compliance department has designated Research List, Grey List and Restricted List for staff in departments that deal with inside information.

9.6 Audit fee

A) Audit fee

For 2014, the Company and its subsidiaries paid audit fee to auditor and any persons or companies related to auditor as follows:

| Company and its subsidiary | Auditor | Audit Fee (Baht) | Audit Fee (HK Dollar) |
|--|---|------------------|-----------------------|
| KGI Securities (Thailand) Plc. | Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (“Deloitte”) | 1,740,000 | - |
| One Asset Management Limited (The Company’s subsidiary which is 99% held by the Company) | Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (“Deloitte”) | 440,000 | - |
| KGI Securities (Thailand) International Holdings Limited (The Company’s subsidiary which is 100% held by the Company) | Ernst & Young Hong Kong | - | 32,000 |
| KGI (Thailand) Holdings Limited (The Company’s subsidiary which is 100% held by the Company) | Ernst & Young Hong Kong | - | 60,000 |
| Total Audit Fee | | 2,180,000 | 92,000 |

Note : The above fee are exclusive of out-of-pocket expenses such as traveling , fax and photocopying charges which will be charged to the Company at actual cost.

B) Non-audit fee

For 2014, the Company’s subsidiary paid non-audit fee to Ernst & Young Tax Services Limited as follows:

| The Company’s subsidiary | Non-audit service | The auditor’s firm, persons and companies related to the auditor | Non-audit fee Yearly fee (HK Dollar) |
|--|-------------------|--|---|
| KGI Securities (Thailand) International Holdings Limited (The Company’s subsidiary which is 100% held by the Company) | Tax Service | Ernst & Young Tax Services Limited | 8,900 |
| Total Non-Audit Fee | | | 8,900 |

There is no further expense for services not yet completed which will become payable in the near future.

9.7 Implementation of Code of Best Practices of SET

The Company believes that good corporate governance is a significant tool to ensure efficient and transparent management to foster shareholders’ and investors’ trust. The Company intends to conduct business under the Good Corporate Governance Principles issued by the Stock Exchange of Thailand and the rules and regulations of Listed Company issued by the Securities and Exchange Commission and the Capital Market Supervisory Board to continuously raise the governance of the Company to international levels for efficient management and sustainable business growth.

In 2014 the Company was assessed on Good Corporate Governance by the Thai Institute of Directors Association (IOD) at the range of “Good”. Good Corporate Governance is presented in 5 categories, as follows:

Section 1 : Right of Shareholders

Section 2 : Equitable Treatment of Shareholders

Section 3 : Role of Stakeholders

Section 4 : Disclosure and Transparency

Section 5 : Responsibilities of the Board

The Company discloses the Corporate Governance Policies and the Company's Implementation of Corporate Governance in 2014 on KGI's website at www.kgiworld.co.th. Shareholders who want to receive a hard copy can contact the Company's Secretary Office, tel 02-658-8881.

However, the Company would like to clarify some items that the Company can not follow code to the best practices of SET as follows:

| Topic | Reason |
|---|--|
| 1. Allowing minority shareholders to propose AGM agenda in advance, submitting questions about the AGM agenda before the meeting date, proposing the candidate for election as a Director, and disclosing on the Company's website. | Shareholders can propose AGM agenda in advance, and can submit questions about the AGM agenda before the meeting date and propose the candidate for election as a Director, by sending the proposal to the Company Secretary. The Company Secretary will then propose to the Board. For the proposal of a candidate for election as Director, the Company will follow the Company's Article No. 14: Election of Directors shall be made by the shareholders' meeting with the following procedure and rules. Shareholders have the right to propose, so the Company did not disclose on the Company's website. |
| 2. The Chairman of the Board is independent director. 3. More than half the Board of Directors should consist of independent directors if the Chairman is not an independent director. | The Chairman of the Company was the representative of the major shareholders. However, the Chairman of the Board of Directors and the Chief Operating Officer are different persons and the Company has clearly divided duties and responsibilities between the Board of Directors and the management in order to balance between management and good corporate governance. |
| 4. The Board of Directors should set limitations an individual may serve as an independent director to a maximum of 9 consecutive years. 5. The Board of Directors should set limitations on consecutive terms of directors and sub-committee members. | The Company did not set limitations on terms for directors since the Company believes that the Company's directors have knowledge and capability. The long-term experience of the director gives them a good understanding of the Company's business. |
| 6. Nomination Committee and Compensation Committee should meet at least 2 times a year. | Nominating Committee will meet to consider nomination of director and executives and Compensation Committee will meet to consider the compensation of the director and management, so meetings will be held as needed. This can not be assigned to at least two times per year. |
| 7. All Nomination Committee members should be independent directors. | The Company's Nomination Committee consists of 2 independent directors, 1 non-executive director and 1 executive director, since the executive director will know the Company's information, so the Nomination committee can make decisions on accurate and complete information. |
| 8. Board should consider a policy for non-executive directors to hold a meeting among themselves independently without the management team joining. | The Company's audit committee has its meeting every quarter. This committee consists of 3 non-executive directors, so it is not necessary to arrange another meeting for non-executive directors. |

10. Corporate Social Responsibilities: CSR

10.1 Social Responsibility Policy

The Company operates its business with responsibility for all groups of stakeholders. The Company strives towards this by strictly complying with all applicable laws and regulations and promoting CSR projects on education and learning, which will be a major force for the sustainable development of the country and society in the future.

Principles of Corporate Social Responsibility**1. Fair business operation**

The Company is committed to doing business in compliance with the law, giving respect to social rules as well as not committing acts that infringe or degrade the rights of the interested individuals.

2. Anti-corruption

The Company has policies to fight against corruption of all forms directly and indirectly. The Company implements work reviews, financial reports, internal controls, internal audits to ensure proper control systems, which is enough for the risk of any possible corruption.

3. Giving respect to human rights

The Company realizes the importance of humanitarian rights and provides all employees the rights, freedoms and equality in working as well as advancement without discrimination against employee because of position, race, religion, sex, class or political opinions.

4. Fair labor treatment

The Company sets wages at a proper level for the Thai industry. It also provides welfare to its employees in different forms and creates a safe working environment.

5. Responsibilities to the client

The Company focuses on good services to ensure the highest satisfaction of the client, adhering to the fairness of price and quality of service and honesty in negotiation and conclusion of the contract, sincere management of client complaints as well as any attempt to solve any possible deficiencies in activity or services in order to maintain a permanent relationship with the client.

6. Environmental protection

The Company regularly encourages employees to be environmentally aware.

7. Joint development of the community or society

The Company supports social and community activities and encourages and supports employees to be trainers on investment to investors and students.

8. Innovation

The Company is recognized as one of the leaders in innovation in the development of new products. The Company shall not infringe against the intellectual property or copyrights of others. The Company will regularly organize training/seminars to ensure that our clients thoroughly understand new products before investing with the Company.

10.2 Report Preparing and CSR Operations**Report Preparing**

This 2014 CSR Report of the Company (the fiscal year of 1st January 2014 – 31st December 2014), published to communicate with the public and stakeholder groups the understanding of the Company's CSR directions and operations.

Corporate Social Responsibility Operations**Product design**

The Company's products are based on the principle of conducting business fairly and responsibly with the consumers. The Company proposes products relevant to clients' needs and that do not impose unfair trade terms with clients or competitors. The Company will disclose complete, accurate, and fair information about the products without any distortion to clients.

When the Company launches a new product, it will educate clients and investors in order to enhance their knowledge and build confidence in the Company's product.

Sources of Funding

If the Company requires new funds, the policy is to try to procure the cheapest source of funds available and not depend upon just a single source of funds. The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Capital Rule must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees. As of 31st December 2014, the Company has Net Capital Rule of Baht 3,974 million and Net Capital Ratio (NCR) of 116.27% of liabilities and guarantees.

Operational laws and regulations

The Company shall strictly abide by all laws and regulations concerning the securities business. The Audit Department and Legal and Compliance Department are responsible for ensuring the Company has effective internal control systems and that the systems are used properly and comply with SEC/SET regulations.

Risk Management

At the heart of the business operation is the question of how to maximize profits while keeping risk at a reasonable level. Under this concept, the Company, who has developed various new financial products such as equity options, structured products, other derivatives, Repurchase Agreement, etc., knows that the risk factors must be handled effectively. Therefore, the Company has established an Risk Management Committee as well as other components to see that risk is always balanced with return.

The Company's Risk Management committee is comprised of representatives of all business units as well as senior operational administrative executives. Essentially, the Committee is a forum where professional managers can join forces in coordinating risk-management initiatives. Initiatives include the installation of a mechanism for monitoring and managing market, credit risk and other financial risk. The Risk Management Department is responsible for monitoring all trading positions by systematically calculating Value at Risk (VaR) and also monitoring all the clients' positions by computerized systems. The Company has been able to analytically identify risk and thereby fully realize the full potential of the capital in question. Other innovations by the Company include a variety of standard operational procedures that have been developed to reduce risk in routine operations.

Fair treatment to employees

The Company takes action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion. The Company ensures fair employment and offers fair career advancement opportunities.

Fair competition policy

The Company practices under the international competition rules, commercial practices, and does not seek competitors' information using fraudulent methods. The Company does not seek any competitors' confidential information in a dishonest or improper manner and does not destroy the reputation of competitors by accusing them without honest and factual data.

Caring for the environment

The Company intends to do business environmentally responsibly. The Company supports all employees being environmentally aware and responsible by efficiently using resources to the best benefits. This includes saving electricity, saving use of water and saving use of office equipment.

Anti - Corruption Practices

The Company's staff must not ask or receive any bribes which can lead to misbehavior or omit to do any duties or cause the Company to lose its benefits. The Company's staff must omit to propose, or give benefit or assets to third parties to encourage such third parties to do illegal practices or behavior.

Respect for the rights of stakeholders

The Company's operations place importance on the rights of all groups of stakeholders both internal and external as follows:

| Stakeholders | Treatment toward Stakeholders |
|--------------|--|
| Shareholders | <ul style="list-style-type: none"> Operates with integrity, honesty and justice by considering the Company growth and satisfactory returns to shareholders. Discloses true, sufficient, consistent and timely the Company operating result. |
| Employee | <ul style="list-style-type: none"> The Company regards each employee as respected and honored colleague who should be well cared for. The Company will take action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion. The Company will ensure fair employment and offer fair career advancement opportunities. The Company offers continuous and thorough development and distribution of knowledge and abilities of employees at all levels. The Company will set up a fair compensation system for all employees. |
| Government | <ul style="list-style-type: none"> The Company strictly conducts business under the laws and regulations. The Company provides complete and correct information as requested by the government agencies to show transparency and build mutual confidence and trust. |
| Clients | <ul style="list-style-type: none"> The Company proposes products relevant to clients' needs and provide quality services. The Company provides equal services to every client. The Company discloses information relevant to the Company's products and services completely, correctly, precisely and without any distortion. Therefore, clients can receive all information thoroughly. The Company does not disclose clients' information to other clients or related persons except for disclosures that are following regulations or injunctions. The Company does not impose any commercial conditions that are unfair to clients. The Company gives clients opportunities to make complaints when they deem necessary and to take the best action to ensure a swift satisfactory resolution. |
| Suppliers | <ul style="list-style-type: none"> The Company has a policy for employees not to ask or receive bribes or dishonest benefits from suppliers. Procurements will be transparent and the Company will provide information to every supplier with equal, accuracy, without bias, and no discrimination. The Company will make fair competition among suppliers and make the procurement process strictly relevant to each situation. Negotiations must be transparent. The Company's management can supervise and the Company's staff must not receive bribes from procurement. The Company's staff must be neutral and not close to any supplier that may influence the decision making. The Company's staff must strictly follow the conflict of interest rule. The Company will follow the conditions appropriately and fairly. |

| Stakeholders | Treatment toward Stakeholders |
|-----------------------|---|
| Creditors | <ul style="list-style-type: none"> • The Company treats creditors with fairness, responsibility and transparency by strictly complying with the terms of contracts with the creditor. • The Company does not use dishonest means or conceal information and facts, which may be adverse to the creditors. |
| Debtors | <ul style="list-style-type: none"> • The Company follows the contracts, agreements or terms made with debtors with no discrimination in debt handing. • The Company negotiates with debtors in advance to collaborate in finding solutions to problems. |
| Society and Community | <ul style="list-style-type: none"> • The Company intends to do business environmentally responsibly. • The Company places importance on coexisting with the communities and society within the office area by creating understanding to continuously build confidence in communities and society. |

10.3 Impact of Business Operations on Corporate Social Responsibility

The Company and its subsidiaries have not been found in violation or under review regarding the 8 principles of Corporate Social Responsibility.

10.4 Corporate Social Responsibility after process

The Company often supports social activities and encourages awareness of social responsibility to employees at every level. The Company provided the “KGI Scholarship Project”, which finances education for undergraduate students in Thailand for 2nd – 4th year, Baht 1.5 million per year, in order to be part of the CSR project in giving educational opportunities to students.

From 2011 until end of 2014, the Company provided 81 KGI scholarship to 9 universities, total value of the scholarship is Baht 4.28 million.

10.5 Anti-Corruption Guidelines

The Company signed its intention to join the Private Sector Collective Action Coalition against Corruption : CAC, which Thai Institute of Directors (IOD) was the project secretary. The purpose of this project is to create a joint agreement to combat corruption in all its forms. This is the beginning of a collaboration of nationally important issues.

The Board of Director’s meeting no.6/2014, date 12th December 2014, has approved the Policies and Guidelines to prevent and combat corruption by the Company and the Procedures regarding the Anti-Corruption policy. (see the policies and guidelines to prevent and combat corruption on the Company’s website : www.kgiworld.co.th). The Board also approved the Self - Evaluation Tool for Countering Bribery, which is reviewed by Audit Committee and has authorized the Company to send the completed Self - Evaluation Tool to the Private Sector Collective Action Coalition Against Corruption (“CAC”) Committee for the certification process. And the Company has received the certificate from CAC on 16th January 2015.

In addition, the Company has taken actions to prevent fraud and corruption as follows:

1. The Company has communicated the policy to all levels of management and employees to ensure they strictly comply with the policy.
2. The Company also provides a channel to inform of violations or corruption and has protective measures for the person who reports the violation or corruption to the Company, by report to Legal & Compliance Department, at Telephone number: 02-658-8740-7 or Fax number: 02-658-8004 or Email: legal&compliance@kgi.co.th
3. The Company has arranged the report and investigation to present before the company's committee for consideration and advice. In this regard, the company's business risk assessment from the corruption would be taken into account in reporting and investigating.

4. The Company will propose to Board of director to review the anti-corruption policy every year.

The Board of Directors and Audit Committee had considered and reviewed report related to investigate corruption for the year 2014 by Audit Department. The conclusions were operation process related to anti-corruption had adequate internal control, authorization compliance with the Company's policy/guidelines and could not found any transactions may be considered as corruption.

11. The Internal Control and Risk Management

11.1 Evaluation of Internal Control

At the Board of Directors Meeting No.5/2014 held on 13th November 2014, there were 3 Audit Committee members attending. The Audit Committee and the Board of Directors completed the self assessment questionnaire on the adequacy of the internal control system in regards to 5 categories as follows;

1. Control environment,
2. Risk assessment,
3. Control activities,
4. Information and communication, and
5. Monitoring activities

Regarding the evaluation result, the Audit Committee and the Board gave the same opinion that the Company has an appropriate internal control system with its business and adequate staff to implement the system effectively. The Company has a system of internal controls to monitor the operations of the Company and its subsidiaries, and to protect the assets of the Company and its subsidiaries against actions by the directors or management applied in wrongful or without power. This includes the monitoring of connected transactions.

The Company's Audit Committee is responsible for reviewing the Company's financial statements. By coordinating with external auditors and the relevant managements, the Audit Committee ensures that the Company discloses information fully and accurately. The Audit Committee monitored and reviewed the Company's internal control, and reviewed to ensure that the Company has followed the Securities and Exchange Act and related regulations along with considering related party transactions and risk management to ensure that the Company has an appropriate internal control system.(see the Audit Committee report)

The auditor of the Company, Deloitte Touche Tohmatsu Jaiyos Company Limited has audited quarterly and annual financial statements of the Company for 2014 and reported the information technology system. The audit scope were general control and application control and the results were not found any material findings, the related departments had improved operation process based on the auditor's recommendations in order to increase the control efficiency.

11.2 Head of Audit Department and Head of Compliance Department.

Head of Audit Department

The Company has appointed Ms. Sirima Prapapanich, to act as Head of Audit Department since 9th September 2013. The Audit Committee gave the opinion that Ms. Sirima Prapapanich is appropriate to perform such functions effectively because she has 22 years of experience in the auditing of securities and banking businesses and has an understanding of the Company's business.

The appointment or Transfer or dismissal of the Head of Audit Department needs approval from the Audit Committee. The qualification of the Head of Audit Department as per Attachment 3.

Head of Legal & Compliance Department.

The Company has appointed Mr. Thanachai Meechoke, to act as Head of Legal and Compliance Department, to monitor and control all Business unit to comply with rules and regulations since 19th November 2012. Mr. Thanachai Meechoke has 10 years of experience in the compliance field and has an understanding of the Company's business. He is appropriate to perform such functions. The qualification of the head of Legal and Compliance Department as per Attachment 3.

Note: Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakkhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

12. Related Party Transaction

12.1 Related Party Transactions in 2014

A. Significant business transactions with its related parties

During the year ended 31st December 2014, the Company and its subsidiaries had significant business transactions with its related parties. Those transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related parties. Details as follows:

| Name and relationship | Transaction | Size (Thousand Baht) | Rational |
|--|---|-------------------------|--|
| 1. KGI Securities Company Limited <u>Relationship</u> KGI Securities Company Limited is a major shareholder of the Company through Richpoint Company Limited. | The Company provided trading services for KGI Securities Company Limited and received brokerage fees from KGI Securities Company Limited. | 1,356 | The transaction is reasonable and best benefit for the Company since the fee is the same rate charged to general client, in accordance with criteria of the SET and SEC. |
| 2. KGI Securities (Hong Kong) Limited <u>Relationship</u> KGI group is major shareholder of KGI Securities (Hong Kong) Limited and the Company. | The Company provided trading services for KGI Securities (Hong Kong) Limited and received Brokerage fees from KGI Securities (Hong Kong) Limited. | 1,121 | The transaction is reasonable and best benefit for the Company since the fee is the same rate charged to general client, in accordance with criteria of the SET and SEC. |
| 3. KGI Asia Limited <u>Relationship</u> KGI group is major shareholder of KGI Asia Limited and the Company. | The Company provided trading services for KGI Asia Limited and received Brokerage fees from KGI Asia Limited. | 2,301 | The transaction is reasonable and best benefit for the Company since the fee is the same rate charged to general client, in accordance with criteria of the SET and SEC. |
| 4. Dr. Pisit Leeahtam, Mr. Songchai Sodthiphabkul, Ms. Nongluk Ningsanond, Ms. Khunmira Thunnom, Ms. Ooi Bee Leng <u>Relationship</u> Director, Management, Director's related person of the Company. | The Company provided trading services for its Director, Management and Director's related person and received Brokerage fees from its Director, Management and Director's related person. | 798 | The transaction is reasonable and best benefit for the Company since the fee is the same rate charged to general client, in accordance with criteria of the SET and SEC. |
| 5. Richpoint Company Limited <u>Relationship</u> Richpoint Company Limited is major shareholder of the Company. Richpoint is 100% owned by KGI Group. | The Company provided custodian service for Richpoint Company Limited and received a Custodian fee from Richpoint Company Limited. | 55 | The transaction is reasonable and best benefit for the Company. The Company charged Baht 15 of every Baht 1 million securities outstanding value each day. |

A. Significant business transactions with its related parties (Cont.)

| Name and relationship | Transaction | Size (Thousand Baht) | Rational |
|---|--|----------------------------|--|
| 6. KGI Futures (Hong Kong) Limited <u>Relationship</u> KGI group is major shareholder of KGI Futures (Hong Kong) Limited and the Company. | The Company opened a trading account with KGI Futures (Hong Kong) Limited and paid commission to KGI Futures (Hong Kong) Limited. | 3 | The transaction is reasonable and best benefit for the Company. Mutually agreed –upon fee. |
| 7. KGI Capital (Singapore) Pte. Limited <u>Relationship</u> KGI group is major shareholder of KGI Capital (Singapore) Pte. Limited and the Company. | The Company opened a trading account with KGI Capital (Singapore) Pte. Limited and paid commission to KGI Capital (Singapore) Pte. Limited. | 47 | The transaction is reasonable and best benefit for the Company. Mutually agreed –upon fee. |
| 8. KGI Ong Capital Pte. Limited <u>Relationship</u> KGI group is major shareholder of KGI Ong Capital Pte. Limited and the Company. | The Company opened a trading account with KGI Ong Capital Pte. Limited and paid commission to KGI Ong Capital Pte. Limited. | 52 | The transaction is reasonable and best benefit for the Company. Mutually agreed –upon fee. |
| 9. KGI Hong Kong Limited <u>Relationship</u> KGI group is major shareholder of KGI Hong Kong Limited and the Company. | The Company hired KGI Hong Kong Limited to provide management services to overseas subsidiary companies and paid Management Services fees to KGI Hong Kong Limited | 613 | The transaction is reasonable and best benefit for the Company. The fee is negotiated rate base on prevailing market rates. |
| 10. Ms. Suchada Sodthibhapkul <u>Relationship</u> Ms. Suchada Sodthibhapkul is an Authorized Director of the Company. | The Company appointed Ms. Suchada Sodthibhapkul, Authorized Director, as the “Executive Director” of the Company. The Company paid remuneration to the Executive Director. | 831 | The transaction is reasonable and best benefit for the Company since the service provider is knowledgeable and experienced in the relevant matters. The remuneration is negotiated rate base on prevailing market rates. |
| 11. Mr. Angelo John Ynn Koo <u>Relationship</u> Mr. Angelo John Ynn Koo is a member of the Koo family. The Koo family is a major indirect shareholder of KGI Securities Co. Ltd which is the largest shareholder of the Company (Through Richpoint Company Limited). | The Company appointed Mr. Angelo John Ynn Koo as the Company’s advisor. The Company paid an advisor’s fee to Mr. Angelo John Ynn Koo. | 1,800 | The transaction is reasonable and best benefit for the Company since the service provider is knowledgeable and experienced in the relevant matters. The fee is negotiated rate base on prevailing market rates. |

B. Outstanding balances

As at 31st December 2014, the outstanding balances with their related parties are as follows:

| Name and relationship | Transaction | Size (Thousand Baht) |
|--|--|-------------------------|
| 1. Richpoint Company Limited <u>Relationship</u> Richpoint Company Limited is major shareholder of the Company. Richpoint is 100% owned by KGI Group. | Accrued service fees | 15 |
| 2. KGI Futures (Hong Kong) Limited <u>Relationship</u> KGI group is major shareholder of KGI Futures (Hong Kong) Limited and the Company. | Guarantee deposit receivables - derivative business | 4,154 |
| 3. KGI Ong Capital Pte. Limited <u>Relationship</u> KGI group is major shareholder of KGI Ong Capital Pte. Limited and the Company. | Guarantee deposit receivables - derivative business | 7,756 |
| 4. KGI Securities Company Limited <u>Relationship</u> KGI Securities Company Limited is a major shareholder of the Company through Richpoint Company Limited. | Capital expenditure for developing computer system | 8,987 |
| 5. KGI Asia Limited <u>Relationship</u> KGI group is major shareholder of KGI Asia Limited and the Company. | Advance received from related companies of subsidiaries | 745 |
| 6. KGI Securities Company Limited <u>Relationship</u> KGI Securities Company Limited is a major shareholder of the Company through Richpoint Company Limited. | Advances received | 3,400 |
| 7. KGI Hong Kong Limited <u>Relationship</u> KGI group is major shareholder of KGI Hong Kong Limited and the Company. | Other payables and advance received from related companies of subsidiaries | 567 |

12.2 Necessity of and reason for transactions

In 2014, the Company's related party transactions, both commission fee and brokerage fee, were general business terms which were approved in principle by the Board. For other related transactions, the Company has process of approval and disclosure in compliance with the regulation, the Audit Committee and the Board of Directors has considered and agreed that these transactions were necessary and reasonable and served the benefit of the Company and shareholders. The independent directors have no different comment from the Board resolution.

12.3 Process for approval of related party transactions

If the Company needs to do a transaction with a person who may have conflicts of interest in futures, the Company will ensure that the connected transaction will be reasonable, transparent, fair and best benefit for the Company and its shareholders. The Company's policy on Connected Transaction as follows:

Policy on Connected Transaction

Transactions with connected persons may have a conflict of interest. Therefore, to ensure transparency and fairness to all shareholders equally, the Company has the following policy for connected transactions:

1. The connected transaction was approved through a transparent process by Directors and Executives. The connected person does not participate in the decision process.
2. The connected transaction must be fair and reasonable and to the best benefit of the Company.
3. The connected transactions shall get approval by the Audit Committee, Board and/or shareholders will be carried out in compliance with notifications, regulations, orders or requirements of the SEC/SET, which include related party transactions and acquisitions or disposal of assets of listed companies or subsidiaries. Connected executives or directors or shareholders will not be involved in that agenda.

PART 3
FINANCIAL POSITION AND OPERATING RESULT

13. Financial position and operating results

(A) Summary of the Report of the Independent Auditors for 2012-2014.

In 2012, the Company appointed Miss Ratana jala, Certified Public Accountant no. 3734 of EY Office Limited (Formerly known as Ernst & Young Office Limited), as auditor. And in 2013, appointed Ms. Rachada Yongsawadvanich Certified Public Accountant no. 4951 of EY Office Limited, as auditor. In EY Office Limited's opinions, the financial position of the Company and its subsidiaries and of the Company as at 31st December 2012 and 2013, their financial performance and cash flows for the year 2012 and 2013 were presented fairly, in all material respects, in accordance with Thai Financial Reporting Standards.

In 2014, the Company appointed Mr. Chavala Tienpasertkij, Certified Public Accountant no. 4301 of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd as auditor. In Deloitte's opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries and of the Company as at 31st December 2014, and financial performance and cash flows for the year in accordance with Thai Financial Reporting Standards.

(B) Summary of financial statements for the Company and its subsidiary companies for the years ended 31st December 2012 - 2014.

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014, 2013 AND 2012

UNIT : BAHT

| | CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
|---|-----------------------------------|-------------|----------------------|-------------|-----------------------|-------------|
| | 2014 | | 2013 | | 2012 | |
| ASSETS | | | | | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | 393,172,029 | 3% | 985,216,088 | 12% | 199,316,120 | 2% |
| Deposits at financial institutions | 196,524,352 | 2% | 89,536,253 | 1% | 118,208,723 | 1% |
| Securities purchased under resale agreements | - | - | 365,000,000 | 4% | - | - |
| Receivables from Clearing House | 740,715,454 | 7% | 371,152,530 | 4% | 2,242,394,566 | 18% |
| Securities and derivatives business receivables - net | 4,885,697,887 | 49% | 4,105,047,443 | 50% | 2,650,002,146 | 21% |
| Derivatives assets | 34,498,195 | - | 34,810,330 | 1% | 17,138,595 | - |
| Investments - net | 3,825,683,010 | 36% | 1,893,896,610 | 23% | 6,725,540,592 | 54% |
| Premises and equipment - net | 103,879,967 | 1% | 103,263,269 | 1% | 107,635,744 | 1% |
| Intangible assets - net | 69,384,791 | - | 59,592,986 | 1% | 58,918,170 | 1% |
| Goodwill | 26,713,599 | - | 26,713,599 | - | 26,713,599 | - |
| Properties foreclosed - net | 44,838,573 | - | 51,813,155 | 1% | 51,843,155 | 1% |
| Deferred tax assets | 1,567,588 | - | 975,531 | - | 588,941 | - |
| Other assets | 199,768,733 | 2% | 171,719,694 | 2% | 161,269,594 | 1% |
| Total assets | 10,522,444,178 | 100% | 8,258,737,488 | 100% | 12,359,569,945 | 100% |

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2014 , 2013 AND 2012

UNIT : BAHT

| | CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
|--|-----------------------------------|-------------|----------------------|-------------|-----------------------|-------------|
| | 2014 | | 2013 | | 2012 | |
| LIABILITES AND OWNERS' EQUITY | | | | | | |
| LIABILITES | | | | | | |
| Borrowings from financial institutions | 600,000,000 | 6% | - | - | 2,549,000,000 | 21% |
| Securities sold under repurchase agreements | 130,000,000 | 1% | 165,000,000 | 2% | 2,124,384,829 | 17% |
| Payables to Clearing House | - | - | 307,042,599 | 4% | - | - |
| Securities and derivatives business payables | 3,236,018,804 | 31% | 1,976,947,119 | 24% | 2,474,700,039 | 20% |
| Accrued expenses | 414,025,989 | 4% | 364,113,200 | 4% | 225,915,335 | 2% |
| Income tax payable | 72,306,169 | 1% | 36,627,569 | - | 51,943,434 | - |
| Derivatives liabilities | 116,470,811 | 1% | 164,408,911 | 2% | 56,518,266 | 1% |
| Debt issued and borrowings | 657,193,094 | 6% | 2,995,905 | - | - | - |
| Provisions for long-term employee benefits | 46,737,284 | 1% | 41,020,621 | 1% | 44,336,251 | - |
| Provisions for liabilities | 39,861,562 | - | 39,347,767 | 1% | 25,653,960 | - |
| Deferred tax liabilities | 25,742,445 | - | 28,059,734 | - | 3,880,762 | - |
| Other liabilities | 22,974,552 | - | 23,237,533 | - | 20,622,346 | - |
| Total liabilities | 5,361,330,710 | 51% | 3,148,800,958 | 38% | 7,576,955,222 | 61% |
| OWNERS' EQUITY | | | | | | |
| Share capital | | | | | | |
| Registered, issued and fully paid-up | | | | | | |
| 1,991,763,130 ordinary shares of Baht 1.00 each | 1,991,763,130 | 19% | 1,991,763,130 | 24% | 1,991,763,130 | 16% |
| Share premium | 982,166,480 | 9% | 982,166,480 | 12% | 982,166,480 | 8% |
| Surplus from unexercised warrants | 101,922,580 | 1% | 101,922,580 | 1% | 101,922,580 | 1% |
| Other component of owners' equity | (45,470,837) | - | (51,885,273) | - | (53,759,939) | (1%) |
| Retained earnings | | | | | | |
| Appropriated - statutory reserve | 199,176,313 | 2% | 199,176,313 | 2% | 199,176,313 | 2% |
| Unappropriated | 1,928,957,423 | 18% | 1,884,568,477 | 23% | 1,559,431,876 | 13% |
| Equity attributable to equity holders of the parent | 5,158,515,089 | 49% | 5,107,711,707 | 62% | 4,780,700,440 | 39% |
| Non-controlling interests | 2,598,379 | - | 2,224,823 | - | 1,914,283 | - |
| Total owners' equity | 5,161,113,468 | 49% | 5,109,936,530 | 62% | 4,782,614,723 | 39% |
| Total liabilities and owners' equity | 10,522,444,178 | 100% | 8,258,737,488 | 100% | 12,359,569,945 | 100% |

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014 , 2013 AND 2012

UNIT : BAHT

| | CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
|--|-----------------------------------|------------|--------------------|------------|--------------------|------------|
| | 2014 | | 2013 | | 2012 | |
| REVENUES | | | | | | |
| Brokerage fees | 1,084,137,945 | 42% | 1,241,237,892 | 45% | 819,622,797 | 43% |
| Fees and service income | 406,103,548 | 16% | 442,040,076 | 16% | 283,286,092 | 15% |
| Gains (losses) on securities | 222,444,613 | 9% | (590,488,315) | (21%) | 459,726,272 | 24% |
| Gains on derivatives | 507,211,244 | 20% | 1,302,256,092 | 47% | 7,101,275 | - |
| Interest and dividends | 262,605,880 | 10% | 270,526,888 | 10% | 259,192,848 | 14% |
| Interest on margin loans | 89,189,361 | 3% | 90,377,379 | 3% | 71,187,885 | 4% |
| Other income | 11,944,116 | - | 2,707,485 | - | 8,444,517 | - |
| Total revenues | 2,583,636,707 | 100% | 2,758,657,497 | 100% | 1,908,561,686 | 100% |
| EXPENSES | | | | | | |
| Finance costs | 109,371,813 | 4% | 113,587,207 | 4% | 109,374,737 | 6% |
| Fees and service expenses | 249,416,253 | 10% | 282,507,846 | 10% | 181,635,667 | 10% |
| Operating expenses | | | | | | |
| Personnel expenses | 865,112,355 | 33% | 895,082,035 | 33% | 632,319,228 | 33% |
| Premises and equipment expenses | 176,019,798 | 7% | 205,703,070 | 8% | 178,044,325 | 9% |
| Directors' remuneration | 27,128,613 | 1% | 29,593,613 | 1% | 20,155,982 | 1% |
| Other expenses | 197,201,920 | 8% | 227,988,681 | 8% | 197,242,679 | 10% |
| Total operating expenses | 1,265,462,686 | 49% | 1,358,367,399 | 50% | 1,027,762,214 | 53% |
| Bad debts and doubtful accounts (reversal) | (3,468,037) | - | (1,697,005) | - | 1,822,579 | - |
| Total expenses | 1,620,782,715 | 63% | 1,752,765,447 | 64% | 1,320,595,197 | 69% |
| Profits before income tax expenses | 962,853,992 | 37% | 1,005,892,050 | 36% | 587,966,489 | 31% |
| Income tax expenses | (200,703,174) | (8%) | (222,017,460) | (8%) | (144,496,907) | (8%) |
| Net Profits | 762,150,818 | 29% | 783,874,590 | 28% | 443,469,582 | 23% |
| Other comprehensive gain (loss): | | | | | | |
| Gain on remeasurement of | | | | | | |
| available-for-sale investment | 3,820,773 | - | - | - | - | - |
| Gain (loss) on translation of the financial statements | | | | | | |
| of foreign operation | 2,593,663 | - | 1,874,666 | - | (2,758,549) | - |
| Total other comprehensive gain (loss) | 6,414,436 | - | 1,874,666 | - | (2,758,549) | - |
| Total comprehensive income | 768,565,254 | 29% | 785,749,256 | 28% | 440,711,033 | 23% |

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014, 2013 AND 2012

UNIT : BAHT

| | CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
|--|-----------------------------------|-----|--------------------|-----|--------------------|-----|
| | 2014 | | 2013 | | 2012 | |
| Profits attributable to: | | | | | | |
| Equity holders of the parent | 761,335,524 | 29% | 783,197,074 | 28% | 442,853,459 | 23% |
| Non-controlling interests | 815,294 | - | 677,516 | - | 616,123 | - |
| | <u>762,150,818</u> | 29% | <u>783,874,590</u> | 28% | <u>443,469,582</u> | 23% |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the parent | 767,749,960 | 29% | 785,071,740 | 28% | 440,094,910 | 23% |
| Non-controlling interests | 815,294 | - | 677,516 | - | 616,123 | - |
| | <u>768,565,254</u> | 29% | <u>785,749,256</u> | 28% | <u>440,711,033</u> | 23% |
| Earnings per share attributable to equity holders of the parent | | | | | | |
| Basic earning per share | <u>0.38</u> | | <u>0.39</u> | | <u>0.22</u> | |

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014, 2013 AND 2012

UNIT : BAHT

| | CONSOLIDATED FINANCIAL STATEMENTS | | |
|--|-----------------------------------|----------------------|----------------------|
| | 2014 | 2013 | 2012 |
| Cash flows from operating activities | | | |
| Profits before income tax expenses | 962,853,992 | 1,005,892,050 | 587,966,489 |
| Adjustments to reconcile profits before income tax expenses to net cash provided by (paid for) operating activities: | | | |
| Depreciation and amortisation | 45,998,266 | 75,453,151 | 63,394,005 |
| Bad debts and doubtful accounts | 10,449,878 | 12,166,619 | 8,387,776 |
| Provisions for liabilities | 342,987 | - | - |
| (Gains) losses on revaluation of trading securities and derivatives | (67,429,549) | 14,748,707 | (41,009,099) |
| Premium on investments in debt securities of a subsidiary | 14,127 | 14,127 | 14,165 |
| Discount on debts issued and other borrowings | (13,380,054) | - | - |
| Gain on disposal of general investments | - | - | (13,378,156) |
| (Gains) losses on disposals and written-off of equipment | (580,202) | 187,500 | (2,945,028) |
| (Gains) losses on disposals of property foreclosed | (3,045,418) | 30,000 | - |
| Interest income on deposits and investments | (164,549,106) | (192,669,693) | (157,565,836) |
| Dividend income | (98,047,583) | (77,854,088) | (77,115,321) |
| Finance costs | 116,267,642 | 113,587,207 | 109,374,737 |
| Provisions for long-term employee benefits | 5,716,663 | 831,870 | 6,037,158 |
| Cash received from interest income on deposits and investments | 168,637,161 | 189,603,562 | 141,412,411 |
| Cash paid for interest expenses | (108,445,353) | (112,936,883) | (108,766,142) |
| Cash paid for income taxes | (167,933,920) | (213,540,943) | (172,379,078) |
| Income from operating activities before changes in operating assets and liabilities | 686,869,531 | 815,513,186 | 343,428,081 |
| (Increase) decrease in operating assets | | | |
| Deposits at financial institutions | (106,988,099) | 28,672,470 | 84,063,015 |
| Securities purchased under resale agreements | 365,000,000 | (365,000,000) | - |
| Receivables from Clearing House | (377,938,892) | 2,060,751,651 | (1,360,974,898) |
| Securities and derivatives business receivables | (792,161,493) | (1,468,651,041) | (271,195,337) |
| Derivatives assets | 32,749,079 | (27,463,212) | (5,818,216) |
| Trading securities | (1,685,015,339) | 4,567,991,167 | (4,347,743,660) |
| Other assets | (30,607,583) | (7,267,206) | (26,969,380) |
| Increase (decrease) in operating liabilities | | | |
| Borrowings from financial institutions | 600,000,000 | (2,549,000,000) | 2,549,000,000 |
| Securities sold under repurchase agreements | (35,000,000) | (1,959,384,829) | 1,397,638,356 |
| Payables to Clearing House | (307,042,599) | 307,042,599 | (183,565,265) |
| Securities and derivatives business payables | 1,243,388,039 | (459,424,625) | 1,438,295,507 |
| Accrued expenses | 48,703,156 | 139,119,083 | (36,811,040) |
| Derivatives liabilities | (67,035,296) | 138,734,193 | 21,453,719 |
| Debts issued and other borrowings | 660,072,596 | 2,995,905 | (120,000,000) |
| Payments on long-term employee benefits during the years | - | (4,147,500) | (6,846,169) |
| Other liabilities | 2,115,442 | 1,974,937 | 2,088,701 |
| Net cash from operating activities | 237,108,542 | 1,222,456,778 | (523,956,586) |

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014, 2013 AND 2012

UNIT : BAHT

| | CONSOLIDATED FINANCIAL STATEMENTS | | |
|--|-----------------------------------|----------------------|----------------------|
| | 2014 | 2013 | 2012 |
| Cash flows from investing activities | | | |
| Cash paid for available-for-sales investment | (164,815,000) | - | - |
| Cash paid for general investment | - | - | (5,910,057) |
| Proceeds from disposal of general investments | - | - | 82,306,517 |
| Cash paid for investment in a subsidiary | - | (121,566) | (1,255,959) |
| Dividends received on investment in securities | 97,405,723 | 79,176,448 | 82,252,605 |
| Cash paid for purchases of equipment and intangible assets | (58,103,761) | (59,545,234) | (58,087,595) |
| Proceed from disposals of equipment | 1,135,090 | 364,759 | 3,460,492 |
| Proceed from disposals of property foreclosed | 10,020,000 | - | - |
| Net cash from investing activities | (114,357,948) | 19,874,407 | 102,766,003 |
| Cash flows from financing activities | | | |
| Dividends paid | (716,946,578) | (458,060,473) | (497,878,781) |
| Dividends paid to non-controlling interests | (441,738) | (245,410) | (414,689) |
| Net cash from financing activities | (717,388,316) | (458,305,883) | (498,293,470) |
| Changes in translation adjustments | 2,593,663 | 1,874,666 | (2,758,549) |
| Net increase(decrease) in cash and cash equivalents | (592,044,059) | 785,899,968 | (922,242,602) |
| Cash and cash equivalents as at 1 January | 985,216,088 | 199,316,120 | 1,121,558,722 |
| Cash and cash equivalents as at 31 December | 393,172,029 | 985,216,088 | 199,316,120 |
| Supplemental cash flows information | | | |
| Non-cash items consist of | | | |
| Increase in fixed assets and provision for liabilities | | | |
| in relation to estimation of decommissioning costs | - | 12,122,266 | - |

(C) Ratios for years 2012-2014

| Consolidated financial statements | 2014 | 2013 | 2012 |
|--|---------|---------|--------|
| Profitability Ratios | | | |
| Gross profit margin (%) | 86.05% | 85.63% | 84.68% |
| Net profit margin (%) | 29.47% | 28.39% | 23.20% |
| Return on equity (%) | 14.83% | 15.84% | 9.21% |
| Return on investment (%) | 34.70% | 22.79% | 16.09% |
| Efficiency Ratios | | | |
| Return on assets (%) | 8.11% | 7.60% | 4.49% |
| Assets turnover (times) | 0.28 | 0.27 | 0.19 |
| Financial Ratios | | | |
| Liquid assets to total liabilities (times) | 0.72 | 0.88 | 0.91 |
| Earning assets to total liabilities (times) | 1.62 | 1.91 | 1.24 |
| Liquid assets to total assets (%) | 36.72% | 33.64% | 55.62% |
| Earning assets to total assets (%) | 82.79% | 72.64% | 75.83% |
| Debt to equity (times) | 1.04 | 0.62 | 1.59 |
| Dividend payment (%) | 99.18% | 99.17% | 99.14% |
| (DPS / EPS separate financial statements) | | | |
| Other Ratios | | | |
| Securities investment to total assets (%) | 36.36% | 22.93% | 54.37% |
| Net Liquid Capital Rule (NCR) ratio (%) | 116.27% | 211.01% | 73.90% |
| Net Liquid Capital Rule (NCR) (Million Baht) | 3,974 | 4,162 | 3,636 |
| Per Share Information | | | |
| Par Value per share (Baht) | 1.00 | 1.00 | 1.00 |
| Book Value per share (Baht) | 2.59 | 2.56 | 2.40 |
| Basic Earning per share (Baht) | 0.38 | 0.39 | 0.22 |
| Dividend per share (Baht) | 0.365 | 0.36 | 0.23 |

14. Management Discussion & Analysis

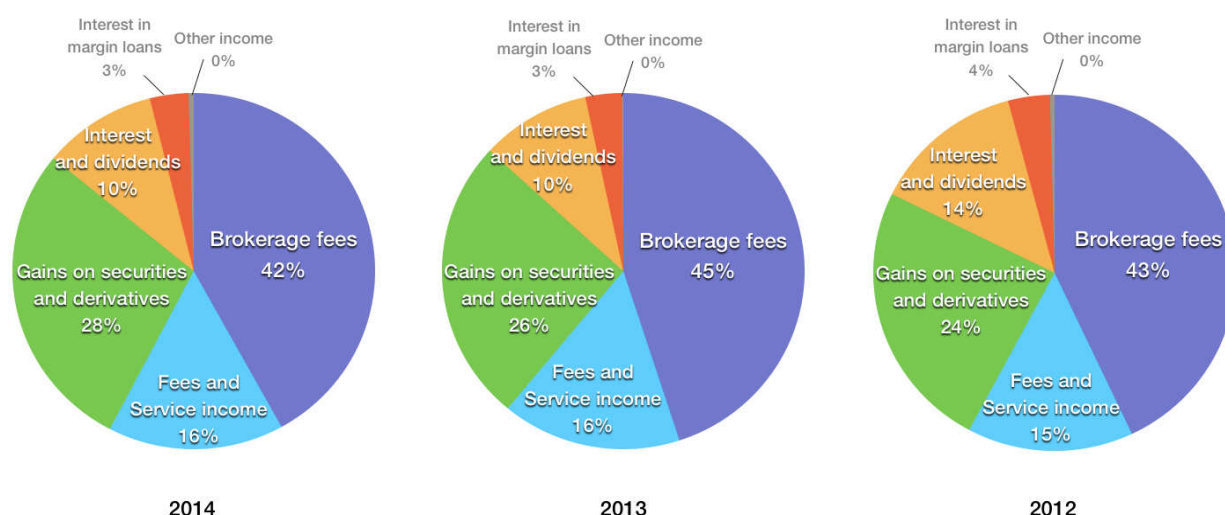
(Consolidated financial statements as of 31st December 2014, “Company” refers to the “Company and its subsidiaries”)

1. Overview

Although 2014 was another challenging year for securities businesses, the Company’s operating results still showed a good financial return. The actions of the Company are rooted in the principles of integrity and honesty, which are the guiding principles of our professional workforce. The company’s goal is to offer a full range of financial services and to be a leader in innovation and in new product development. The Company also aims to diversify its income in order to provide earnings stability and to be able to operate successfully under all conditions.

In 2014, the Company’s market share in Securities Brokerage Business, Futures Business, and Fixed Income Business increased. In the Equity Derivatives Business, the Company is one of the leaders in launching and trading derivative warrants. The Company’s Proprietary Trading team also performed well. One Asset Management Limited, the Company’s asset management subsidiary issued 15 new funds and increased its total assets under management. Overall, the company performed well with a focus on providing quality services whilst maintaining effective cost control.

The Company’s sources of revenue are diverse and not overly concentrated in brokerage fees. Over the last five years, the brokerage fees from securities and derivatives businesses no more than 50% of its total revenues, compared with an industry average of over 70%. By diversifying, the Company has lessened its reliance on brokerage fees. The Company can handle the intensified competition better after the full liberalization of brokerage fees in 2012 and after the entry of three newcomers in this industry. The Company’s gains on trading in securities and derivatives comprised 24%-28% of total revenues over the last five years. The Company’s gains on trading were derived from a variety of business activities, including bond dealing, private repos, derivative warrants, over-the-counter (OTC) derivatives, and investments in debt and equity securities for the company’s own account. The Company also has a recurring source of revenue from fund management, through its 99% ownership of ONE Asset Management Co., Ltd. (ONEAM). ONEAM’s revenue accounted for 12%-15% of the Company’s total revenues over the last 5 years. Revenue from fund management is less volatile than other sources of revenue.



Competition among Thai brokerage businesses in 2014 remained intense and market volatility high. However, the Company maintains a strong financial position with manageable debt and substantial balance sheet assets. The Company can also utilize KGI Taiwan’s financial product development know-how and experience in the more-developed Taiwanese financial market. By offering a wide range of products, the Company can attract different groups of investors to become its clients. The Company strives to stay ahead of its competitors by launching innovative financial products. The Company can then enjoy higher profit margins on the new products before competition crowds the market.

2. Results of operations

In 2014 the Company again performed well despite continued competition and market volatility, the company reported total revenue of Baht 2,583.64 million, profit attributable to equity holders of the parent of Baht 761.34 million and earnings per share of Baht 0.38.

Unit: Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | |
|---------------------------------|-----------------------------------|---------------|---------------|
| | 2014 | 2013 | 2012 |
| Total revenues | 2,583,636,707 | 2,758,657,497 | 1,908,561,686 |
| Total expenses | 1,620,782,715 | 1,752,765,447 | 1,320,595,197 |
| Profits attributable to: | | | |
| Equity holders of the parent | 761,335,524 | 783,197,074 | 442,853,459 |
| Basic earning per share | 0.38 | 0.39 | 0.22 |

Brokerage fee

In 2014 the Company reported Brokerage fees of Baht 1,084.14 million, representing a 12.66% decrease compared to 2013, due to the decrease in average daily trading volume of the SET.

The Brokerage fee income consisted of Brokerage fees from securities business of Baht 951.52 million, Brokerage fees from derivatives business of Baht 93.47 million and other brokerage fees of Baht 39.15 million

Fee and Service income

The company's fee and service income in 2014 was Baht 406.10 million, a decline of 8.13% from the previous year. The majority of the fee and service income came from mutual fund management, private fund management and provident fund management fees as well as registrar and custodian fees from One Asset Management Limited (the Company's subsidiary).

Gains on securities and derivatives

In 2014, The Company's gain on securities and derivatives of Baht 729.66 million, increased by 2.51% from the previous year, and the Company's return on investment in 2014 was 34.70% increase from 22.79% and 16.09% in years 2013 and 2012, due to the improved performance of the Company's investments.

The total gain on securities and derivatives of Baht 729.66 million, included gains on securities of Baht 222.44 million and gains on derivatives of Baht 507.21 million. The gain on securities and derivatives included gains from the Proprietary Trading business and Derivatives Warrant business as follows.

a) Proprietary Trading Business

The Company invests in equity securities, derivatives and fixed income by considering the economic outlook, fundamental factors of each industry, financial statements, and technical analysis. Risk management is an important part of the investment process and the Company continuously monitors risk exposure.

b) Derivative Warrant Business

The Company has a hedging strategy to protect against potential risks as follows.

- Where the Company has issued a Call Warrant, the Company is exposed to risk when the underlying stock price increases. Therefore, the Company hedges such risk by buying the underlying stocks in appropriate proportion calculated from the Net Delta Value. The risk of loss from issuing Call DWs may be offset by the gain on the underlying stock bought by the Company as a hedge.

- Where the Company has issued a Put Warrant, the Company is exposed to risk when the underlying stock price decreases. To hedge this risk the Company may sell the underlying stock in proportion to the Net Delta Value. The risk of loss from issuing Put DWs will be offset by the gain on the underlying stock if the share price declines.

To protect against the risks from stock price fluctuations the Company may hedge the risk by taking an appropriate position in the underlying stock, such that the DW exposure and the underlying stock exposure of the Company hedge each other.

Interest and Dividend Income

The Company's interest and dividend income in 2014 was Baht 262.61 million, a decrease of 2.93% when compared with the previous year. Mainly from a decrease in interest income from bonds and debentures.

Operating expenses

The Company's operating expenses in 2014 were Baht 1,265.46 million, which was 48.98% of total revenue, decrease from 49.24% and 53.85% in years 2013 and 2012, showing that the Company was able to control its costs effectively.

Profitability Ratios

The Company's profitability ratios generally improved in 2014 when compared with the previous two years. Gross profit margin was 86.05, higher than 85.63% and 84.68% in years 2013 and 2012. Net profit margin was 29.47% which was higher than 28.39% and 23.20 % in years 2013 and 2012.

3. Asset Management Ability

Operating Asset Structure

As of 31st December 2014, the company had total assets of Baht 10,522.44 million, compared with Baht 8,258.74 million in 2013, representing an increase of 27.41% from a previous year. The company increased the size of its investment portfolios in 2014 to take advantage of favourable investment opportunities.

The ratio related to the Company's asset management



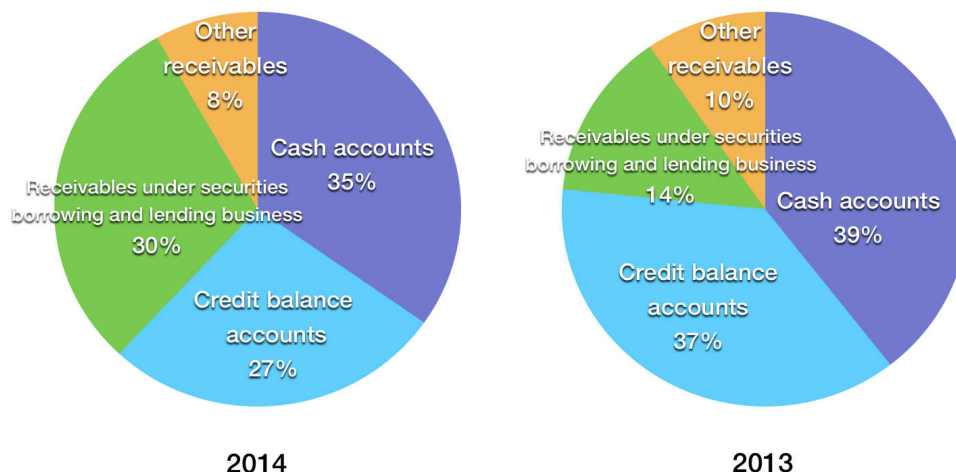
The Company's ratio of earning assets to total assets in the past 3 years was 73 - 83%. At the end of 2014, the Company's earning assets were Baht 8,711.38 million which consisted of the securities and derivatives business receivables – net of Baht 4,885.70 million and investments - net of Baht 3,825.68 million.

In 2014, the company had an asset turnover ratio of 0.28, which is higher than 0.27 and 0.19 in 2013 and 2012 respectively. The Company's Return on Assets (ROA) was 8.11%, up from 7.60% and 4.49% in 2013 and 2012 respectively.

The quality of Securities and derivatives business receivables

The Company's Securities and derivatives business receivables were of a good quality. As of 31st December 2014, the Company's Securities and derivatives business receivables were Baht 5,335.48 million. Accrued interest receivables were Baht 10.16 million. Allowance for doubtful accounts was Baht (459.94) million. Thus the net total securities and derivatives business receivables were 4,885.70 million.

The Securities and derivatives business receivables in 2013 - 2014



The Company has provided allowances for doubtful accounts on securities and derivatives business receivables based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of any collateral. Such debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission, and after consideration of other relevant factors. The Company's doubtful debts as of 31st December 2014 were Baht 413.12 million, for which the Company had made full provision. The Company had also set additional reserves for uncollectible receivable of Baht 46.82 million. The Company believes that the provisions are adequate and meet the regulators' requirement.

The doubtful debts and the provision of doubtful debts

Unit: Million Baht

| | December 31, 2014 | | |
|---------------------------------------|-------------------|----------------------------------|---|
| | Debt balances | Allowances for doubtful accounts | Debt balances net of allowances for doubtful accounts |
| Normal debts | 4,903.26 | - | 4,903.26 |
| Sub-standard debts | 29.26 | - | 29.26 |
| Doubtful debts | 413.12 | (413.12) | - |
| Total | 5,345.64 | (413.12) | 4,932.52 |
| Additional reserve for uncollectibles | - | (46.82) | (46.82) |
| Carrying values | 5,345.64 | (459.94) | 4,885.70 |

For credit balance accounts, the Company's margin loan portfolio as of 31st December 2014 was Baht 1,450.71 million, equivalent to approximately 28% of the value of the Company's equity attributable to equity holders of the parent. The company has set a appropriate credit limit for each client and regularly reviews each client's financial strength. In 2014, the Company's credit lines complied with the Company's policy and were not concentrated in any industry or in any client group.

As at December 31, 2014, the Company had other receivables with book values totaling Baht 421 million, on which recognition of income had ceased. The Company had already made full provision for these debts.

Investments

The Company's engaged in various investment activities during the year. As of 31st December 2014, the Company's net investments were valued at Baht 3,825.68 million, an increase of 102% when compared with Baht 1,893.90 million of investments in 2013. The Company's proprietary investments performed well in 2014, the Company had gain on securities and derivatives of Baht 729.66 million and had interest and dividend Income of Baht 262.61 million.

The Company's investments were diversified and were not concentrated in any company or in any industry. The Company has a policy of making allowance for impairments and treated its investments as impaired when there had been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment existed.

The Risk Management Committee manages the risk of the Company's proprietary trading. The Risk Management Committee approves and reviews risk budget for each of proprietary teams at least once a year. The Risk Management Department also monitors and takes action in accordance with Stop Loss Policy when limits are reached.

The Company's investment in 2013-2014 (Million Baht)

| | <u>31st December 2014</u> | <u>31st December 2013</u> |
|---|--------------------------------------|--------------------------------------|
| Trading securities | | |
| Equity securities | 2,987.28 | 1,423.45 |
| Debt securities | 687.85 | 566.66 |
| <u>Less</u> Allowance for revaluation | (46.84) | (124.99) |
| Trading securities - net | <u>3,628.29</u> | <u>1,865.13</u> |
| Available-for-sale securities | | |
| Investments units-Investments Units | 164.82 | - |
| <u>Add</u> Allowance for revaluation | 3.82 | - |
| Available-for-sale securities - net | <u>168.64</u> | <u>-</u> |
| Held-to-maturity debt securities | | |
| Government bonds | 8.01 | 8.02 |
| Held-to-maturity debt securities | <u>8.01</u> | <u>8.02</u> |
| General investments | 29.81 | 30.55 |
| <u>Less</u> Allowance for impairment | (9.06) | (9.80) |
| General investments – net | <u>20.75</u> | <u>20.75</u> |
| Total investments – net | <u>3,825.68</u> | <u>1,893.90</u> |

4. Liquidity and capital adequacy

Sources and uses of funds

As at 31st December 2014, the Company had cash and cash equivalents of Baht 393.17 million. The Company's sources and uses of funds are as follows.

- Funds decreased from operating assets increased by Baht (2,594.96) million, which was mainly due to an increase in the Company's investments. The company increased the size of its investments to improve its opportunities to make profits.
- Funds increased from operating liabilities increased by Baht 2,145.20 million, which was primarily due to the an increase in the borrowings from financial institutions and other borrowings.

- c) Funds decreased as a result of investing activities by Baht (114.36) million, which was primarily due to cash paid for available-for-sale investments.
- d) Funds decreased as the Company paid dividends to shareholders in the amount of Baht (717.39) million.

| Summary of Cash Flow Statements in 2014 | Million Baht |
|--|-----------------|
| Profits before income tax expenses | 962.86 |
| Adjustments to reconcile profits before income tax expenses to net cash provide by (paid for) operating activities | (275.98) |
| Income from operating activities before changes in operating assets and liabilities | 686.87 |
| The Change in Assets and Liabilities | |
| (Increase) decrease in operating assets | (2,594.96) |
| Increase (decrease) in operating liabilities | 2,145.20 |
| Net cash from operating activities | 237.11 |
| Net cash from investing activities | (114.36) |
| Net cash from financing activities (Dividend Paid) | (717.39) |
| Changes in translation adjustments | 2.59 |
| Net increase (decrease) in cash and cash equivalents | (592.04) |
| Cash and cash equivalents as at 1 st January 2014 | 985.22 |
| Cash and cash equivalents as at 31st December 2014 | 393.17 |

The Capital structure

The company has an appropriate capital structure. As of 31st December 2014, the Company's debt to shareholders' equity ratio was only 1.04 times. The ratio shows that the Company's capital structure has low risk due to its funding coming equally from shareholders and from borrowing.

The Change of the Company's equity

At the end of 2014, the Company's equity attributable to equity holders of the parent amounted to Baht 5,158.52 million, an increase of Baht 50.80 million from the previous year. The changes in the Company's equity attributable to equity holders of the parent is derived from the profits for 2014 of Baht 767.75 million less the dividend for 2013 which was paid to its shareholders in May 2014 of Baht (716.95) million.

Capital Expenditure

In 2014, the Company has 1 significant capital expenditure which higher than Baht 20 million, details as follows:

| | |
|------------------------------------|--|
| Objective: | To develop a trading system of the Company |
| Details: | The Company agreed to hire KGI Securities Co. Ltd ("KGI Taiwan") to develop a trading system of the Company. This transaction is considered as a related party transaction which was approved by the Board. The Board was of the opinion that the transaction is in the best benefit of the Company since the service provider is knowledgeable and experienced in the relevant matters. |
| Amount: | Approximately Baht 20.85 million (Develop a trading system which is a related party transaction of Baht 17 million, and Hardware of Baht 3.85 million) |
| The payment period: | In 2014-2015 |
| Sources of Funds: | The Company's working capital |
| Impact to the Company's liquidity: | No impact to the Company's liquidity since the company has sufficient liquidity. |

Expected Return: To enhance the Company's trading system

Adequacy of Liquidity

The Company has sufficient capital. As of 31st December 2014, the Company has cash and cash equivalents of Baht 393.17 million, deposits at financial institutions of Baht 196.52 million. Its Net Capital Ratio was 116.27%. The Company has a policy to maintain a Net Capital Ratio (NCR) that is higher than that required under the SEC regulations. (The regulations specify that the Net Capital must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees). The Company's NCR in past 3 year are as follows:

| Capital Fund | 31 st Dec 2014 | 31 st Dec 2013 | 31 st Dec 2012 |
|---------------------------------|---------------------------|---------------------------|---------------------------|
| Net Capital Rule (Million Baht) | 3,974 | 4,162 | 3,636 |
| Net Capital Ratio (NCR) (%) | 116.27% | 211.01% | 73.90% |

The ability to find additional sources of funds

If the Company requires new funds, the Company's policy is to procure the most appropriate source of funds taking into account the cost of funds, and not to depend upon any single source of funds. The Company analyses its cash flow needs on a daily basis and matches its short-term funding and investment needs using money market instruments.

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

Factors that may affect the Company's credit rating

TRIS Rating Co., Ltd. affirmed the Company rating at "BBB+" with "stable" outlook on 7th July 2014. The rating reflects the Company's strong capital position, its sizable market share in securities brokerage, the strength and diversity of its lines of business and revenue base, and its ability to leverage the extensive experience and know-how of its major shareholder, KGI Group in Taiwan.

Factors that may affect the Company's credit rating are as follows:

1. The need to maintain its market position in the brokerage business given market volatility and continued downward pressure on commission rates;
2. Stock price volatility which may affect the operating results of the Company's proprietary trading business;
3. The Company's ability to control risk from margin loans and risk from new product launches;
4. Maintaining a consistent income from One Asset Management Limited (the Company's subsidiary).

The Company is aware of such factors and manages its operations in order to maintain stable financial and business positions. The Company has a policy to continually enhance the efficiency of its staff in giving advice and service to clients, and to develop the technology to support new products.

For the Company's proprietary trading, the Company has assigned its Risk Management Committee to set strict guidelines and policies regarding asset allocation, portfolio limits and risk control in order to manage risk of losses due to market volatility and control risk limit on a daily basis. The Risk Management Committee will review on a regular basis the controls to ensure that they are appropriate for market conditions.

Furthermore, the Company controls risk by establishing credit limits for clients and counter parties and analyzing their financial position on an ongoing basis. The Risk Management Department monitors the Company's exposure on a daily basis to ensure compliance with the approved risk policies.

Ability to repay loans and follow the loan conditions and obligations

As of 31st December 2014 the Company had Baht 600 million of borrowings from financial institutions and Baht 657 million of debt issues and borrowings. The Company is confident that it will be able to repay loans as necessary. The Company has a policy to treat creditors with fairness, responsibility and transparency by strictly complying with the terms of contracts with creditors. The Company does not use dishonest means nor does it conceal relevant information or facts from creditors.

5. Obligations and liabilities

See information about the obligations and liabilities that may be incurred in notes to the financial statements no. 37

6. Factors affecting the Company's operating results in future and risk management.

Factors that may affect the company's operations are both external and internal. External factors, include changes in government policies, regulations and laws, changes in the political and economic environment, changes in interest rates and foreign exchange rates. Internal factors include financial liquidity, loss of key employees, operations control, risk management and technology. These factors may affect the business operations of the Company and may impact the Company's revenue.

However, the Company has established a Risk Management Committee as well as other control systems to ensure that risk is appropriately managed. The Company's Risk Management committee is comprised of representatives of all business units as well as senior, middle and back office executives operational administrative executives. Essentially, the Committee is a forum where professional managers can join forces in coordinating risk-management initiatives. Initiatives include the installation of a mechanism for monitoring and managing market risk, credit risk and other financial risk. The Risk Management Department is responsible for monitoring all trading positions by systematically calculating Value at Risk (VaR) and also monitoring all client positions using computerized systems. The Company has been able to systematically identify relevant risks. The Company also has a variety of standardized operational procedures that have been developed to reduce risk in routine operations.

Attachment 1

Information of the Company's directors, management and the Company Secretary

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|----------------|---|---|---|---------------------|--|
| 1) Mr. Foong Hock Meng Position: Chairman The Appointment date as a director: 14 th Sept 2009 | 58 | MS. Operational Research, University of Birmingham, UK | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2014-Present | Director KGI Ong Capital Ltd, Singapore |
| | | | | | Oct 2013-Present | Director KGI International Ltd, BVI |
| | | | | | Feb 2013-Present | Director KGI Capital Asia Limited, Hong Kong |
| | | | | | Nov 2011 - Present | Director One Asset Management Ltd |
| | | | | | Nov 2009 - Present | Chairman KGI Securities (Thailand) Plc |
| | | | | | Sept 2009 - Present | Director KGI Securities (Thailand) Plc |
| | | | | | Aug 2009 – Present | Director Bauhinia 8 Fund, Cayman Islands |
| | | | | | Aug 2009 – Present | Director KGI Capital (Singapore) Pte Ltd Singapore |
| | | | | | Aug 2009 – Present | Director KGI Asia (Holdings) Pte Ltd, Singapore |
| | | | | | Dec 2009-Feb 2012 | Director KT Opportunistic Ltd, Virgin Islands |
| | | | | | Dec 2009-Aug 2014 | Director KGI Wealth Management Ltd Hong Kong |
| | | | | | Aug 2009-Mar 2013 | Director KGI Select Fund SPC, Cayman Islands |
| | | | | | Jul 2009 – Feb 2013 | Managing Director KGI Asia Limited, Hong Kong |
| | | | | | Jun 2005 - Mar 2009 | President and Director PIMCO ASIA Pte Ltd, Singapore |
| | | | | | Apr 1999 - Jul 2005 | Managing Director BANK PICTET & CIE (ASIA) Ltd Singapore |
| 2) Dr. Pisit Leeahtam Position: Vice Chairman and Independent Director The Appointment date as a director : 4 th May 2001 | 63 | Ph.D. Economics, The Netherlands School of Economics, Erasmus University, Netherlands <u>Training Program</u> - Director Certification Program class 18/2002 -Corporate Governance for Capital Market Intermediaries 2/2015 from Thai Institute of Directors Association (IOD) | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Oct 2014 - present | Member of the National Reform Council |
| | | | | | Mar 2004 – Present | Vice Chairman KGI Securities (Thailand) Plc. |
| | | | | | May 2001- Present | Director and Audit Committee Chairman KGI Securities (Thailand) Plc. |
| | | | | | Dec 2005 - Present | Country Chairman Thailand Jardine Matheson (Thailand) Ltd. |
| | | | | | 2005 - Present | Independent Director Tirathai Plc. |
| | | | | | 2004 - Present | Independent Director Global Connection Plc. |
| | | | | | 2004 - Present | Chairman Pruksa Real Estate Plc. |
| | | | | | 2007 - Present | Independent Director Mandarin Oriental Bangkok Hotel Plc. |
| | | | | | Apr 2001-Sept 2003 | President & Chief Operating Officer TT&T Public Company Limited |
| | | | | | Nov 1997-Feb 2001 | Deputy Minister of Finance Ministry of Finance |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|----------------|--|---|---|--|---|
| 3) Dr. Don Bhasavanich Position: Independent Director The Appointment date as a director: 17 th April 2001 | 63 | MBA, University of Pittsburgh, USA PhD, Electrical Engineering, University of Liverpool, UK <u>Training Program</u> - Directors Certification Program class 62/2005, - Audit Committees Program class 7/2005, - Finance for Non- Finance Director class 8/2004, and -Corporate Governance for Capital Market Intermediaries 3/2015 from Thai Institute of Directors Association (IOD) | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2001 - Present Apr 2011 – May 2014 May 2007 - Apr 2011 Oct 2006 - May 2007 May 2004 - Sep 2006 Oct 2002 - May 2004 Feb 1999 - Oct 2002 | Director & Audit Committee KGI Securities (Thailand) Plc President TT&T Plc ☛ Managing Director Canadoil Asia Ltd. ☛ COO ☛ Director Canadoil Group Managing Director Thai Copper Industries Plc President NSM Plc CEO Unithai Group of Companies Plc Managing Director DHL (Thailand) |
| 4) Mr. Picharn Kullavanijaya Position: Independent Director The Appointment date as a director: 24 th May 2011 | 54 | Master of Science, Mechanical Engineering, Northwestern University, USA MBA, Kellogg Graduate School of Management, Northwestern University, USA <u>Training Program</u> - Compliance and Directors Training Program for U.S. Banking regulations from Gateway Bank F.S.B., Oakland, California, USA. | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Jun 2014 – Present May 2011 – Present Jul 2011 – Present Oct 2010 – Present May 2008 - Jan 2011 Feb 2000 - Apr 2008 | Director Equilibrium Capital Group Independent Director KGI Securities (Thailand) Plc. Chief Executive Officer Equilibrium Capital Services (broker-dealer affiliate of Equilibrium Capital Group) Partner & Principal Equilibrium Capital Group, USA Founding Partner New Forest Partner, LLC USA Managing Director Investment Banking Citigroup Global Markets, USA |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|----------------|--|---|---|---|--|
| 5) Mr. Pradit Sawattananond Position: Independent Director The Appointment date as a director: 31 st Jan 2000 | 66 | MBA, Central State University, Oklahoma, USA <u>Training Program</u> - Director Certification Program class 3/2000, - Audit Committee Program class 3/2004, - Improving the Quality of Financial Reporting Program class 4/2006, - Monitoring the Quality of Financial Reporting class 5/2007 - Monitoring the Internal Audit Function class 5/2008 - Monitoring the System of Internal Control and Risk Management class 2/2008 and - Role of Compensation Committee class 6/2008 - Advanced Audit Committee Program class 13/2013 - How to Develop a risk Management Plan class 4/2013 - Corporate Governance for Capital Market Intermediaries 1/2014 from Thai Institute of Directors Association (IOD) - Chief Financial Officer Certification Program class 1/2004 from the Institute of Certified Accountants and Auditors of Thailand. | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Jan 2000 - Present Mar 2004 - Present Jan 2004 - Present May 2005 - Feb 2006 Dec 2003 - Dec 2006 Aug 2001 - Feb 2006 | Director and Audit Committee KGI Securities (Thailand) Plc. Independent Director and Audit Committee Chairman Asia Sermkij Leasing Plc. Independent Director and Audit Committee Thai Film Industries Plc. Advisor to the Committee on Economics Development, The House of Representatives Director The Thailand Securities Depository Co.,Ltd. Specialist of Committee on Finance, Banking and Financial Institution, The House of Representatives |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|----------------|---|---|---|---------------------|--|
| 6) Mr. Wei Chang Fang Position: Chief Operating Officer and Authorized Director The Appointment date as a director : 22 nd Sep 2005 | 51 | MBA, Finance Drexel University, USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Oct 2014 - Present | Director One Asset Management Limited |
| | | | | | Sep 2005 - Present | Chief Operating Officer KGI Securities (Thailand) Plc. |
| | | | | | Oct 2005 – Present | Director KGI Securities (Thailand) International Holdings Limited |
| | | | | | Sept 2005 – Present | Director KGI (Thailand) Holdings Limited |
| | | | | | Mar 2003 - Aug 2012 | Director KGI Capital Asia Limited |
| | | | | | Jan 2004 - Aug 2005 | ➤ Chief Operating Officer KGI Asia Limited |
| | | | | | | ➤ Managing Director KGI Hong Kong Limited |
| | | | | | Mar 2003 - Aug 2005 | Managing Director KGI Capital Asia Limited |
| | | | | | Jul 2000 - Jun 2002 | President ➤ MVP (H.K.) Industries Ltd. ➤ Shinn Hua (China) Machinery Co.,Ltd. |
| | | | | | Apr 1994 - Jun 2000 | Managing Director Capital Securities (Hong Kong) Ltd. (Holding Company), has subsidiaries as follows: ➤ CSC Securities (HK) Ltd. ➤ CSC Futures (HK) Ltd. ➤ CSC Asia Ltd. ➤ CSC Brokerage (HK) Ltd. ➤ CSC Finance Ltd. |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|----------------|--|---|---|--|--|
| 7) Ms. Bee Leng Ooi Position: Managing Director and Authorized Director The Appointment date as a director: 26 th Dec 2000 | 55 | MBA, University of Chicago, USA | Beginning of the year = 0.001% Ending of the year = 0.001% (No trading transaction in 2014) | -None- | July 2014 - Present May 2012 – Present May 2012 – Present Apr 2001 - Present Dec 2000 - Present 2000 1999 - 2000 | Business Advisor KGI Ong Capital Pte Ltd. Director KGI Securities (Thailand) International Holdings Limited Director KGI (Thailand) Holdings Limited Managing Director KGI Securities (Thailand) Plc. Director KGI Securities (Thailand) Plc. Director, Business Planning KGI Asia Ltd Managing Director GK GOH Securities Philippines |
| 8) Ms. Suchada Sodthibhaphkul Position: Executive Director and Authorized Director The Appointment date as a director: 17 th Apr 2001 | 60 | MBA Chulalongkorn University, Thailand <u>Training Program</u> -Director Certification Program class 38/2003 - Corporate Governance for Capital Market Intermediaries-CGI class Exclusive from Thai Institute of Directors Association (IOD) - Leadership Program class 2/2006 from Capital Market Academy | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Nov 2014 - Present Apr 2001 – Oct 2014 May 2011 - Present Jan 2008 - Present 1997 - April 2001 1990 - 1997 | Managing Director KGI Securities (Thailand) Plc. Managing Director KGI Securities (Thailand) Plc. Director The Thai Bond Market Association Director Thai Rubber Latex Corporation (Thailand) Plc. Executive Director KGI Securities (Thailand) Plc. Executive Director First Asia Securities Plc. |
| 9) Mr. Wisit Wongpaisan Position: Director The Appointment date as a director: 28 th Aug 2001 | 62 | MBA, University of East Asia, Macau | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Aug 2001 - Present Aug 2001 - Feb 2012 Oct 2000 - Jul 2001 Jun 1993 - Jul 2000 | Director KGI Securities (Thailand) Plc. President KGI Securities (Thailand) Plc. Chief Operating Officer KGI Securities (Thailand) Plc. Executive Vice President Bank of Asia Plc. |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|----------------|---|---|---|---------------------|--|
| 10) Mr. Chin-Lung Tseng Position: Director The Appointment date as a director : 22 nd Jun 2006 | 61 | B.S., International Trade, Faculty of Economics, Tamkang University, Taiwan | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Jun 2013-Present | Chairman Global Securities Finance Corporation Taiwan |
| | | | | | Apr 2013 - Present | Director Gre Tai Securities Market |
| | | | | | Dec 2007 - Present | Standing Director Chinese Taiwan Securities Association |
| | | | | | Jun 2006 - Present | Director KGI Securities (Thailand) Plc. |
| | | | | | May 1999 - Present | Director KGI Securities Co. Ltd. Taiwan |
| | | | | | Aug 2010 - Jun 2013 | Vice Chairman KGI Securities Co., Ltd. Taiwan |
| | | | | | Jul 2009 - Aug 2010 | CEO KGI Securities Co. Ltd. Taiwan |
| | | | | | Mar 2007 - Jul 2009 | President & CEO KGI Securities Co. Ltd. Taiwan |
| | | | | | Feb 2007- Nov 2009 | Chairman KGI Securities (Thailand) Plc. |
| | | | | | Apr 2006- Mar 2007 | Chairman KGI Securities Co. Ltd. Taiwan |
| | | | | | Mar 2005-Aug 2014 | Director KGI Asia Limited Hong Kong |
| | | | | | Dec 2004 - Apr 2014 | Director Taiwan Integrated Shareholder Service Company Taiwan |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|----------------|---|---|---|--------------------|---|
| 11) Ms. Pi-Lin Huang Position: Director The Appointment date as a director: 11 th Jul 2005 | 44 | Bachelor, Accounting National Taiwan University, Taiwan | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Aug 2014 – Present | Director KGI International Holding Limited, Cayman Islands |
| | | | | | Aug 2014 - Present | Director KGI Finance Limited, Hong Kong |
| | | | | | May 2009 - Present | Director KGI International (Hong Kong) Limited, Hong Kong |
| | | | | | Jul 2005 - Present | Director KGI Securities (Thailand) Plc. |
| | | | | | Jan 2005 - Present | Senior Vice President , Finance KGI Securities Co.,Ltd, Taiwan |
| | | | | | Mar 2005 - Present | Director KGI Asia Limited, Hong Kong |
| | | | | | Mar 2005 - Present | Director KGI Securities (Hong Kong) Limited Hong Kong |
| | | | | | Mar 2005 - Present | Director KGI International Finance Limited, Hong Kong |
| | | | | | Mar 2005 - Present | Director KGI Capital Asia Limited, Hong Kong |
| | | | | | Mar 2005 - Present | Director KGI Global Asset Management Limited, Cayman Islands |
| | | | | | Mar 2005 - Present | Director KG Investments Pacific Limited, Cayman Islands |
| | | | | | Mar 2005 - Present | Director KGI Limited, British Virgin Islands |
| | | | | | Mar 2005- Jan 2013 | Director KGI Efficient Frontier Ltd Hong Kong |
| | | | | | Mar 2005-Feb 2008 | Director KGI Securities (Korea) Co., Ltd. Korea |
| | | | | | Mar 2004 -Jan 2005 | Manager Yageo Corp, Taiwan |
| | | | | | 1999 - Jan 2004 | Manager Deloitte Consulting (Arthur Andersen Business Consulting) Taiwan |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position / The appointment date | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|----------------|--|---|---|---------------------|---|
| 12) Mr. Yen, Chih-Chien Position: Director The Appointment date as a director : 11 th Jul 2005 | 49 | MBA, MIT, Sloan School of Management, USA LLM, University of Michigan Law School, USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Sep 2014 –Present | Director KGI Securities Co.,Ltd Taiwan |
| | | | | | Aug 2014-Present | Director KGI Alliance Corporation, British Virgin Islands |
| | | | | | Jan 2013-Present | Executive Vice President China Development Finance Holding Corporation, Taiwan |
| | | | | | Dec 2009 - Present | Director KGI Wealth Management Limited, Hong Kong |
| | | | | | Jun 2007 - Present | Director Global Securities Finance Corporation, Taiwan |
| | | | | | May 2007 - Present | Executive Vice President KGI Securities Co. Ltd, Taiwan |
| | | | | | Jul 2005 - Present | Director KGI Securities (Thailand) Plc. |
| | | | | | Jan 2005 - Jan 2013 | Director KGI Efficient Frontier Limited, Hong Kong |
| | | | | | Jun 2005 - Feb 2008 | Standing Director KGI Securities (Korea) Co., Ltd, Korea |
| | | | | | May 1994 - Mar 2004 | Senior Lawyer Lee and Li, Attorneys-at-Law, Taiwan |
| | | | | | Jan 2001 - Jan 2002 | Senior Vice President Lee and Li Business Consultant (Shanghai) Co.,Ltd, China |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|-------------|---|---|--|---|---|
| <p>13) Mr. Somchai Kanjanapetcharat</p> <p>Position: Senior Managing Director Retail Equity Business</p> <p>The Appointment date as a management: 1st Mar 2013</p> | 59 | MBA, The National Institute of Development Administration (NIDA), Thailand | <p>Beginning of the year = 0% Ending of the year = 0%</p> <p>(No trading transaction in 2014)</p> | -None- | <p>Mar 2013 - Present</p> <p>Sep 2000 – Feb 2013</p> <p>1992 – 2000</p> <p>1990-1992</p> | <p>Senior Managing Director KGI Securities (Thailand) Plc</p> <p>Chief Executive Officer of Retail Sales Officer KT ZMICO Securities Company Limited</p> <p>Senior Vice President Krung Thai Tanakij Finance Public Company Limited</p> <p>Assistant Vice President Thana One Finance & Securities PLC</p> |
| <p>14) Mr. Suthep Rungsiam</p> <p>Position: Managing Director Brokerage Business</p> <p>The Appointment date as a management: 1st Nov 2009</p> | 47 | <p>MBA, Chaminade University of Honolulu, USA</p> <p>BBA, International Business, University of Hawaii, USA</p> | <p>Beginning of the year = 0% Ending of the year = 0%</p> <p>(No trading transaction in 2014)</p> | -None- | <p>2013 – Present</p> <p>2009 – 2012</p> <p>2006 – 2008</p> <p>2000 – 2005</p> <p>1998 – 2000</p> | <p>Managing Director, Brokerage Business KGI Securities (Thailand) Plc.</p> <p>Managing Director, Retail Equity Business KGI Securities (Thailand) Plc.</p> <p>Deputy Managing Director Globlex Securities Co., Ltd.</p> <p>Vice President BNP Paribas Peregrine Securities (Thailand) Ltd.</p> <p>Vice President Indosuez W.I. Carr Securities (Thailand) Ltd.</p> |
| <p>15) Ms. Jariya Posayajinda</p> <p>Position: Managing Director Proprietary Trading Department</p> <p>The Appointment date as a management: 1st Apr 2009</p> | 47 | MBA (Finance) Eastern Michigan University, Michigan USA | <p>Beginning of the year = 0% Ending of the year = 0%</p> <p>(No trading transaction in 2014)</p> | -None- | <p>May 2011 - Present</p> <p>Sep 2005 - Apr 2011</p> <p>May 2002 - Feb 2005</p> | <p>Managing Director Proprietary Trading Department KGI Securities (Thailand) Plc.</p> <p>Executive Vice President (2009 - 2011) Senior Vice President (2005 - 2009) Proprietary Trading Department KGI Securities (Thailand) Plc.</p> <p>Deputy Chief Marketing Officer UOB Asset Management (Thai) Co., Ltd</p> |
| <p>16) Mr. Apichart Tungkiatsilp</p> <p>Position: Managing Director Fixed Income Department</p> <p>The Appointment date as a management: 2nd Sep 2009</p> | 42 | MBA, Cleveland State University, USA | <p>Beginning of the year = 0% Ending of the year = 0%</p> <p>(No trading transaction in 2014)</p> | -None- | <p>Apr 2014 - Present</p> <p>Sep 2009 - Mar 2014</p> <p>2005 - Aug 2009</p> <p>2004 - 2005</p> | <p>Managing Director Fixed Income Department KGI Securities (Thailand) Plc.</p> <p>Executive Vice President Fixed Income Department KGI Securities (Thailand) Plc.</p> <p>Financial Institution Sales Manager Siam Commercial Bank PLC</p> <p>Fixed-Income Trading Manager Siam Commercial Bank PLC</p> |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|-------------|--|---|--|--|---|
| 17) Ms. Saranya Larksukthom Position: Senior Executive Vice President Operation Department The Appointment date as a management : 1 st Mar 2001 | 52 | MBA, Strayer College, USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | May 2011 – Present Mar 2012 – Present Mar 1999 - Apr 2011 1996 – 1998 | Senior Executive Vice President Operation Department KGI Securities (Thailand) Plc. Vice Chairman Back Office Operation Club Executive Vice President (2001-2011) Senior Vice President (1999 - 2001) Operation Department KGI Securities (Thailand) Plc Assistant Vice President Nava Vickers Ballas Securities (Thailand) Co., Ltd. |
| 18) Mr. Somchai Siripaiboolpong Position: Executive Vice President Retail Equity Business The Appointment date as a management : 20 th Nov 2000 | 61 | BA, Chulalongkorn University, Thailand | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | 2000 – Present 1994-1999 1991-1994 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Plc. SCCF Finance & Securities JF Thanakom Securities Limited |
| 19) Ms. Songsri Chawengsataporn Position: Executive Vice President Retail Equity Business The Appointment date as a management : 1 st May 2011 | 55 | Bachelor Economics, University of the Thai Chamber of Commerce, Thailand | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | May 2011 - Present Jul 1996 - Apr 2011 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Plc. Senior Vice President KGI Securities (Thailand) Plc. |
| 20) Ms. Dutsanee Pamontip Position: Executive Vice President Retail Equity Business The Appointment date as a management : 1 st May 2011 | 55 | Bachelor of Economics, Thammasat University, Thailand | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | May 2011 - Present Jan 2007 - Apr 2011 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Plc. Senior Vice President KGI Securities (Thailand) Plc. |
| 21) Ms. Warunlak Aiemmeechai Position: Executive Vice President, Retail Equity Business The Appointment date as a management : 22 nd Apr 2013 | 46 | BA, Valaya Alongkorn Rajabhat University, Thailand | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2013 – Present Oct 1998- Apr 2013 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Plc Executive Vice President KT ZMICO Securities Company Limited |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|-------------|---|---|--|--|--|
| 22) Mr. Kamthorn Chinsakuljaroen Position: Executive Vice President, Retail Equity Business The Appointment date as a management: 1 st Apr 2014 | 49 | MBA, National University, USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2014 – Present Sep 2010 – Mar 2014 2002 – 2010 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Senior Vice President Retail Equity Business KGI Securities (Thailand) Vice President Globlex Securities Co., Ltd. |
| 23) Mr. Viwat Charoenthangvitaya Position: Executive Vice President, Retail Equity Business The Appointment date as a management : 1 st Apr 2014 | 48 | National Kaohsiung university of Applied Sciences, Taiwan | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2014 - Present July 2007 - Mar 2014 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Senior Vice President Retail Equity Business KGI Securities (Thailand) |
| 24) Mr. Hua-Feng Chang Position: Executive Vice President Retail Equity Business The Appointment date as a management : 1 st Apr 2008 | 52 | MBA in International Management Monterey Institute of International Studies. CA USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2008 - Present Feb 2001 - Mar 2008 | Executive Vice President Retail Equity Business KGI Securities (Thailand) Plc. Senior Vice President (2004 - 2008) Vice President (2001 - 2004) KGI Securities (Thailand) Plc. |
| 25) Ms. Patchpon Sankaburanuruk Position: Executive Vice President Investment Banking Department The Appointment date as a management : 1 st May 2012 | 44 | MBA, Finance University of Hartford, USA. | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | May 2012 - Present Jun 2002 - Apr 2012 Jun 1999 - May 2002 Feb 1996 - Oct 1998 Jan 1995 - Jan 1996 | Executive Vice President Investment Banking Department KGI Securities (Thailand) Plc Senior Vice President (2006-2012) Vice President (2004-2005) Assistant Vice President (2002-2004) Investment Banking Department KGI Securities (Thailand) Plc Assistant Manager Investment Banking Department Vickers Ballas Securities (Thailand) Co.,Ltd Manager Investment Banking Department Cathay Capital Co, Ltd Officer Investment Banking Department Multi-Credit Corporation Plc. |
| 26) Mr. Jenvit Chinkulkitniwat Position: Executive Vice President Equity Derivatives Department The Appointment date as a management : 1 st Apr 2014 | 35 | Master of Science in Finance, University of Illinois, USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2014 – Present Nov 2005- Mar 2014 | Executive Vice President Equity Derivatives Department KGI Securities (Thailand) Senior Vice President Equity Derivatives Department KGI Securities (Thailand) |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|-------------|--|---|--|--|---|
| 27) Ms. Inchaya Chatcherdasak Position: Executive Vice President Human Resource Department The Appointment date as a management: 18 th Aug 2014 | 43 | Bachelor of Arts (B.A.) major in History, Thammasat University, Thailand | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Aug 2014 – Present May 2014 – Aug 2014 Jul 2012 – Apr 2014 Jan 2003 – Jun 2012 Jul 2002 - Sep 2002 Sep 2000 - Jul 2002 Oct 1999 - Sep 2000 | Executive Vice President Human Resource Department KGI Securities (Thailand) Plc. Chief Operating Officer & Director Senior Vice President Head of Business Development Senior Vice President Head of Human Resource KTB Securities (Thailand) Assistant Manager Human Resource Department ACSG (Thailand) Co.,Ltd Assistant Manager Human Resource Department SG Asia Credit Securities.,Ltd. Assistant Manager, Human Resources Department Adkinson Securities Co.,Ltd |
| 28) Ms. Khunmira Thunnom Position: Executive Vice President Finance and Accounting Department The Appointment date as a management : 1 st Apr 2008 | 49 | Master of Financial Accounting, Chulalongkorn University, Thailand. | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2008 - Present 1993 - Mar 2008 1989 - 1992 | Executive Vice President Finance & Accounting Department KGI Securities (Thailand) Plc. Senior Vice President (2001 - 2008) Vice President (1993 - 2001) Finance & Accounting Department KGI Securities (Thailand) Plc. Assistant Manager Ernst & Young Office Limited |
| 29) Ms. Acharee Turongsomboon Position: Executive Vice President Treasury Department The Appointment date as a management : 1 st May 2012 | 48 | B.A. in Business Administration – General Management Sukhothai Thammathirat University, Thailand | Beginning of the year = 0.003% Ending of the year = 0.003% (No trading transaction in 2014) | -None- | May 2012- Present 2001-2011 1991-2000 | Executive Vice President Treasury Department KGI Securities (Thailand) Plc Senior Vice President Treasury Department KGI Securities (Thailand) Plc Vice President Finance & Capital market Dept Securities One Plc |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|-------------|---|---|--|---|--|
| 30) Mr. Itphong Saengtubtim Position: Executive Vice President Research Department The Appointment date as a management: 1 st May 2012 | 49 | Master degree in Finance, Golden Gate University San Francisco USA. | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | May 2012- Present Apr 2010 - Apr 2012 Jun 2005 - Mar 2010 Mar 2003 - May 2005 Jan 1998 - Feb 2003 Mar 1995 - Dec 1997 Jan 1994 - Feb 1995 | Executive Vice President Research Department KGI Securities (Thailand) Senior Vice President Research Department KGI Securities (Thailand) Vice President Research Department CIMB Securities (Thailand) Senior Analyst Research Department KGI Securities (Thailand) Analyst DBS Vickers Securities (Thailand) Analyst Nava SC Securities Asia Ltd Analyst Thanapol Finance and Securities |
| 31) Ms. Nantarat Surakkhaka Position: Executive Vice President, COO Office Support Department. The Appointment date as a management: 1 st Mar 2013 | 46 | LL.M. ,Widener University, Delaware, USA | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Mar 2013 – Present Jan 2010 - Feb 2013 Jun 2005 – Aug 2006 Apr 1996 – May 2005 | Executive Vice President COO Office Support Dept. KGI Securities (Thailand) Plc Senior Vice President COO Office (Corporate Strategy) KGI Securities (Thailand) Plc Vice President, Legal and Debt Recovery Division KGI Securities (Thailand) Plc Legal Officer The Office of the Securities and Exchange Commission |

Information of the Company's directors, management and the Company Secretary (As of 31st December 2014)

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|-------------|--|---|--|---|--|
| 32) Ms. Nongluk Ningsanond Position: Company Secretary The Appointment date as a management : 1 st Apr 2008 | 52 | -Bachelor of Economics, Thammasat University, Thailand -MBA of Bangkok University, Thailand <u>Training Program</u> -Certified Investment and Securities Analyst (CISA III) from Securities Analysis Association -Company Secretary Program Class 5/2004 -Effective Minute Taking Class 10/2008 - Corporate Governance for Capital Market Intermediaries Class 1/2014 from Thai Institute of Directors Association (IOD) | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2008 - Present 1997- Mar 2008 1992 – 1997 | Executive Vice President Company Secretary Office KGI Securities (Thailand) Plc. Senior Vice President (2001 - 2008) Vice President (1997 - 2001) KGI Securities (Thailand) Plc. Vice President Investment Banking Department First Asia Securities Plc. |

The Main Duties and Responsibilities

1. Providing basic advice pertaining to the laws and regulations, as well as monitoring compliance on a regular basis and reporting any significant changes to the Board;
2. Preparing agenda and documents for the Shareholders and Board of Directors Meetings;
3. Arranging the Shareholders Meetings and Board of Directors Meetings in accordance with the laws and regulations, the Company's Articles of Association, and best practices;
4. Preparing minutes of the Shareholders Meetings and Board of Directors Meetings, and monitoring subsequent actions in accordance with resolutions of those meetings;
5. Preparing and keeping registrations of directors, annual reports of the company, notices calling Shareholders and Board of Directors Meetings, as well as minutes of the Shareholders Meeting and Board of Directors Meetings.
6. Ensuring that the directors and executives have filed report on their interest and related persons interest, as required by laws;
7. Keeping reports on interest filed by directors and executives, and presenting copies of such reports to Chairmen of the Board of Directors and Audit Committee, as specified by laws;
8. Ensuring that corporate information disclosures to regulatory agencies are in accordance with the laws and regulations;
9. Communicating with shareholders on their legitimate rights and on the company's information, and serving as a communication median between shareholders and directors and executives;
10. Arranging performance assessment of the Board of Directors every year;
11. Arranging director's briefings for newly elected directors.

The position of Directors and Management in subsidiary and related companies (As of 31st December 2014)

| Directors and Management | Position In the Company | Position in Subsidiaries | | |
|----------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|
| | | ONEAM | HOLDCO | KTHL |
| | | 99% owned by the Company | 100% owned by the Company | 100% owned by the Company |
| 1) Mr. Foong Hock Meng | A | A , E | - | - |
| 2) Dr. Pisit Leeahtam | B, D, F | - | - | - |
| 3) Dr. Don Bhasavanich | D, G | - | - | - |
| 4) Mr. Pradit Sawattananond | D, G | - | - | - |
| 5) Mr. Picharn Kullavanijaya | D | - | - | - |
| 6) Mr. Wei Chang Fang | E, I | H , E | H | H |
| 7) Ms. Bee Leng Ooi | E, K | - | H | H |
| 8) Ms. Suchada Sodthibhaphkul | E, L | - | - | - |
| 9) Mr. Wisit Wongpaisan | C | - | - | - |
| 10) Mr. Chin-Lung Tseng | C | - | - | - |
| 11) Ms. Pi-Lin Huang | C | - | - | - |
| 12) Mr. Yen, Chih Chien | C | - | - | - |
| 13) Mr. Somchai Kanjanapetcharat | J | - | - | - |
| 14) Mr. Suthep Rungsiam | K | - | - | - |
| 15) Ms. Jariya Posayajinda | K | - | - | - |
| 16) Mr. Apichart Tungkiatsilp | K | - | - | - |
| 17) Ms. Saranya Larksukthom | M | - | - | - |
| 18) Mr. Somchai Siripaiboolpong | N | - | - | - |
| 19) Ms. Songsri Chawengsataporn | N | - | - | - |
| 20) Ms. Dutsanee Pamontip | N | - | - | - |
| 21) Ms. Warunlak Aiemmeechai | N | - | - | - |
| 22) Mr. Kamthorn Chinsakuljaroen | N | - | - | - |
| 23) Mr. Viwat Charoenthangvitaya | N | - | - | - |
| 24) Mr. Hua-Feng Chang | N | - | - | - |
| 25) Ms. Patchpon Sankaburanuruk | N | - | - | - |
| 26) Mr. Jenvit Chinkulkitniwat | N | - | - | - |
| 27) Ms. Inchaya Chatchersak | N | - | - | - |
| 28) Ms. Khunmira Thunnom | N, O | - | - | - |
| 29) Ms. Acharee Turongsomboon | N | - | - | - |
| 30) Mr. Itphong Saengtubtim | N | - | - | - |
| 31) Ms. Nantararat Surakkhaka | N | H , E | - | - |
| 32) Ms. Nongluk Ningsanond | N , P | - | - | - |

Director title

A: Chairman
E: Authorized Director

B: Vice Chairman
F: Chairman of Audit
Committee

C: Director
G: Audit Committee

D: Independent Director
H: Persons who the Board
appointed as a director of its
subsidiaries

Management title

I: Chief Operating Officer
M: Senior Executive Vice
President

J: Senior Managing Director
N: Executive Vice President

K: Managing Director
O: Head of Finance &
Accounting Department

L: Executive Director
P: Company Secretary

Subsidiaries

ONEAM : One Asset Management Limited

HOLDCO: KGI Securities (Thailand) International Holdings Limited

KTHL : KGI (Thailand) Holdings Limited

Note: Directors and executives of the Company have no record of any punishable under the Securities Exchange Act of 2535 or the Derivatives Act 2546.

Attachment 2
Information of subsidiaries' Executives

Details of subsidiaries' Directors (As of 31st December 2014)

| Director | ONEAM | HOLDCO | KTHL |
|--------------------------|--------------------------|---------------------------|---------------------------|
| | 99% owned by the Company | 100% owned by the Company | 100% owned by the Company |
| Mr. Foong Hock Meng | A , C | | |
| Mr. Wei Chang Fang | C | B | B |
| Ms. Bee Leng Ooi | - | B | B |
| Dr. Win Udomrachtavanich | C , D | - | - |
| Mr. Sakda Manwapat | C , D | - | - |
| Ms. Nantararat Surakhaka | C | - | - |
| Mr. Wong Sai Hung | B | - | - |
| Ms. Li Ching Ching | B | - | - |

Subsidiaries

ONEAM : One Asset Management Limited

HOLDCO : KGI Securities (Thailand) International Holdings Limited

KTHL : KGI (Thailand) Holdings Limited

Director title

A: Chairman

B: Director

C: Authorized Director

D : Management of Subsidiaries

Attachment 3

Information of Head of Audit Department and Head of Legal & Compliance Department

Head of Audit Department

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|--|-------------|--|---|--|---------------------|---|
| Ms. Sirima Prapapanich Position: Head of Audit Department | 45 | MBA – Assumption University Thailand Certificate: CPA, CIA, CRMA Training. <u>Training Program</u> - COSO with increasing internal control efficiency - Risk Based Audit | Beginning of the year = 0% Ending of the year = 0% (No trading Transaction in 2014) | -None- | Sep 2013 - present | Senior Vice President Audit Department KGI Securities (Thailand) Plc. |
| | | | | | June 2011- Aug 2013 | Audit Development Team Manager Audit Division Siam Commercial Bank Plc. (Head Office) |
| | | | | | Aug 2006 - May 2011 | Head of Compliance and Internal Audit Department Siam City Securities Co., Ltd. |
| | | | | | Aug 2004 - Jul 2006 | Internal Audit Manager Asia Sermkij Leasing Plc. |
| | | | | | May 1995 – Jul 2004 | Deputy Manager Compliance Department Capital Nomura Securities Plc. |
| | | | | | May 1991 - Apr 1995 | Senior External Auditor SGV-NA Thalang & Co., Ltd Authur Andersen |

Duties and responsibilities

1. Prepare annual audit plan, assess the adequacy and efficiency of internal control systems in order to comply with International Auditing Standards. Propose the audit plan to management and obtain approval from the Audit Committee.
2. Complete the approved audit plan and any ad-hoc plans as requested by management and the Audit Committee.
3. Act as the secretary of the Audit Committee, prepare the agenda for the Audit Committee meetings including reports of audit findings and audit performance compared with the audit plan.
4. Support current operations and provide audit information to the Audit Committee and management.
5. Develop audit staff and train them in auditing procedures and operations.
6. Other activities as assigned by management or Audit Committee.

Head of Legal & Compliance Department

| Name / Position | Age (Years) | Education / Training | Portion of shares held in company (%) | Relationship among Director and management | Work experiences | |
|---|-------------|---|---|--|---|--|
| Mr. Thanachai Meechoke Position: Head of Legal & Compliance Department | 33 | -Master of Law (LL.M.) DukeUniversity School of Law, Durham, North Carolina, USA -Master of Laws Degree Chulalongkorn University - Bachelor of Laws Chulalongkorn University Certificate: ASCO Compliance Training Program Certificate Bond Regulatory Update Certificate / Thai BMA ThaiBMA Compliance Certificate | Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2014) | -None- | Apr 2014-Present Nov 2012-Mar 2014 Year 2004-2012 Year 2003-2004 | Senior Vice President Legal & Compliance Department KGI Securities (Thailand) Plc. Vice President Legal & Compliance Department KGI Securities (Thailand) Plc. Executive Officer Office of Securities and Exchange Commission Legal Officer, Office of the Administrative Court |

Note: Mr. Thanachai Meechoke resigned from the Company, effective on 20th January 2015. The Company has appointed Ms. Nantararat Surakhaka as the acting head Legal and Compliance Department until the Company appoints a new permanent head of Legal and Compliance Department.

Duty and responsibilities:

1. To monitor and control all Business Units to ensure that they comply with relevant rules and regulations, and develop procedures to ensure corporate compliance.
2. To render and provide legal opinions / review legal documents or contracts.
3. To handle legal procedures and Company legal cases.
4. To coordinate with the Company's regulator and related regulatory authorities.
5. To host a training program and to update rules and regulations for Company employees.

Attachment 4

**Underlying company information of the remaining DWs
and
History of DW issued by the Company
for the past 2 years (2013-2014)**

Underlying company information of the remaining DWs

Underlying company information of the remaining DWs (from Underlying company's website as of 31st December 2014) are as follows:

| No | Stocks | Company's name | Website |
|----|--------|---|--|
| 1 | ADVANC | ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED | http://investor.ais.co.th |
| 2 | AOT | AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED | www.airportthai.co.th |
| 3 | BANPU | BANPU PUBLIC COMPANY LIMITED | www.banpu.com |
| 4 | BBL | BANGKOK BANK PUBLIC COMPANY LIMITED | www.bangkokbank.com |
| 5 | BCP | THE BANGCHAK PETROLEUM PUBLIC COMPANY LIMITED | www.bangchak.co.th |
| 6 | BGH | BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED | www.bangkokhospital.com |
| 7 | BJCHI | BJC HEAVY INDUSTRIES PUBLIC COMPANY LIMITED | www.bjc1994.com |
| 8 | BLAND | BANGKOK LAND PUBLIC COMPANY LIMITED | www.bangkokland.co.th |
| 9 | BMCL | BANGKOK METRO PUBLIC COMPANY LIMITED | www.bangkokmetro.co.th |
| 10 | BTS | BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED | www.btsgroup.co.th |
| 11 | CK | CH. KARNCHANG PUBLIC COMPANY LIMITED | www.ch-karnchang.co.th |
| 12 | CPALL | CP ALL PUBLIC COMPANY LIMITED | www.cpall.co.th |
| 13 | CPF | CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED | www.cpfworldwide.com |
| 14 | CPN | CENTRAL PATTANA PUBLIC COMPANY LIMITED | www.cpn.co.th |
| 15 | DTAC | TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED | www.dtac.co.th |
| 16 | EARTH | ENERGY EARTH PUBLIC COMPANY LIMITED | www.energyearth.co.th |
| 17 | ESSO | ESSO (THAILAND) PUBLIC COMPANY LIMITED | www.esso.co.th |
| 18 | INTUCH | INTOUCH HOLDINGS PUBLIC COMPANY LIMITED | www.intouchcompany.com |
| 19 | IRPC | IRPC PUBLIC COMPANY LIMITED | www.irpc.co.th |
| 20 | ITD | ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED | www.itd.co.th |
| 21 | IVL | INDORAMA VENTURES PUBLIC COMPANY LIMITED | www.indoramaventures.com |
| 22 | JAS | JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED | www.jasmine.com |
| 23 | KBANK | KASIKORNBANK PUBLIC COMPANY LIMITED | www.kasikornbank.com |
| 24 | KTB | KRUNG THAI BANK PUBLIC COMPANY LIMITED | www.ktb.co.th |
| 25 | LH | LAND AND HOUSES PUBLIC COMPANY LIMITED | www.lh.co.th |

| No | Stocks | Company's name | Website |
|----|--------|--|--|
| 26 | MINT | MINOR INTERNATIONAL PUBLIC COMPANY LIMITED | www.minorinternational.com |
| 27 | NOK | NOK AIRLINES PUBLIC COMPANY LIMITED | www.nokair.com |
| 28 | PTT | PTT PUBLIC COMPANY LIMITED | www.pttplc.com |
| 29 | PTTEP | PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED | www.pttep.com |
| 30 | PTTGC | PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED | www.pttgcgroup.com |
| 31 | SAMART | SAMART CORPORATION PUBLIC COMPANY LIMITED | www.samartcorp.com |
| 32 | SC | SC ASSET CORPORATION PUBLIC COMPANY LIMITED | www.scasset.com |
| 33 | SCB | THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED | www.scb.co.th |
| 34 | SCC | THE SIAM CEMENT PUBLIC COMPANY LIMITED | www.scg.co.th |
| 35 | SIRI | SANSIRI PUBLIC COMPANY LIMITED | www.sansiri.com |
| 36 | SPCG | SPCG PUBLIC COMPANY LIMITED | www.spcg.co.th |
| 37 | SRICHA | SRIRACHA CONSTRUCTION PUBLIC COMPANY LIMITED | www.sricha.com |
| 38 | STA | SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED | www.sritranggroup.com |
| 39 | STEC | SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC CO.,LTD. | www.stecon.co.th |
| 40 | THAI | THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED | www.thaiairways.com |
| 41 | THCOM | THAICOM PUBLIC COMPANY LIMITED | www.thaicom.net |
| 42 | TICON | TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED | www.ticon.co.th |
| 43 | TMB | TMB BANK PUBLIC COMPANY LIMITED | www.tmbbank.com |
| 44 | TOP | THAI OIL PUBLIC COMPANY LIMITED | www.thaioilgroup.com |
| 45 | TPIPL | TPI POLENE PUBLIC COMPANY LIMITED | www.tpipolene.co.th |
| 46 | TRUE | TRUE CORPORATION PUBLIC COMPANY LIMITED | www.truecorp.co.th |
| 47 | TTA | THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED | www.thoresen.com |
| 48 | TTCL | TOYO-THAI CORPORATION PUBLIC COMPANY LIMITED | www.toyo-thai.com |
| 49 | VGI | VGI GLOBAL MEDIA PUBLIC COMPANY LIMITED | www.vgi.co.th |
| 50 | WHA | WHA CORPORATION PUBLIC COMPANY LIMITED | www.wha.co.th |

History of DW issued by the Company for the past 2 years (2013-2014)

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|------------|--------------------|--------------------|
| 1 | CPN13CB | January 15, 2013 | September 5, 2013 |
| 2 | ROBI13CB | January 15, 2013 | September 5, 2013 |
| 3 | TISC13CB | January 15, 2013 | September 5, 2013 |
| 4 | JAS13CA | January 16, 2013 | July 5, 2013 |
| 5 | KK13CC | January 16, 2013 | July 5, 2013 |
| 6 | MINT13CB | January 23, 2013 | August 6, 2013 |
| 7 | BTS13PA | January 23, 2013 | August 6, 2013 |
| 8 | BGH13CE | January 31, 2013 | August 16, 2013 |
| 9 | CPF13CD | January 31, 2013 | August 16, 2013 |
| 10 | IVL13CG | January 31, 2013 | August 16, 2013 |
| 11 | KBAN13CG | January 31, 2013 | August 16, 2013 |
| 12 | PTTE13CG | February 15, 2013 | August 22, 2013 |
| 13 | PTTE13PC | February 21, 2013 | August 22, 2013 |
| 14 | ADVA13CF | March 4, 2013 | August 30, 2013 |
| 15 | BANP13CH | March 4, 2013 | August 30, 2013 |
| 16 | IRPC13CE | March 4, 2013 | August 30, 2013 |
| 17 | SCC13CF | March 4, 2013 | August 30, 2013 |
| 18 | TOP13CF | March 4, 2013 | August 30, 2013 |
| 19 | KTB13CF | March 4, 2013 | August 30, 2013 |
| 20 | TMB13CD | March 4, 2013 | August 30, 2013 |
| 21 | PTT13PD | March 4, 2013 | August 30, 2013 |
| 22 | SCB13PD | March 4, 2013 | August 30, 2013 |
| 23 | TRUE13CF | March 20, 2013 | September 6, 2013 |
| 24 | AOT13CE | March 29, 2013 | September 20, 2013 |
| 25 | BJC13CD | March 29, 2013 | September 20, 2013 |
| 26 | BLA13CE | March 29, 2013 | September 20, 2013 |
| 27 | DELT13CD | March 29, 2013 | September 20, 2013 |
| 28 | DTAC13CE | March 29, 2013 | September 20, 2013 |
| 29 | HMPR13CE | March 29, 2013 | September 23, 2013 |
| 30 | LH13CD | March 29, 2013 | September 23, 2013 |
| 31 | SCCC13CB | March 29, 2013 | September 23, 2013 |
| 32 | TRUE13PC | March 29, 2013 | September 23, 2013 |
| 33 | ESSO13CE | April 19, 2013 | October 18, 2013 |
| 34 | BBL13CE | May 8, 2013 | December 27, 2013 |
| 35 | BBL13PD | May 8, 2013 | December 27, 2013 |
| 36 | BAY13CE | May 8, 2013 | December 27, 2013 |
| 37 | TCAP13CF | May 8, 2013 | December 27, 2013 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|-------------------|
| 38 | JAS13CB | May 23, 2013 | November 8, 2013 |
| 39 | THAI13CE | May 29, 2013 | December 20, 2013 |
| 40 | DTAC13CF | May 29, 2013 | December 20, 2013 |
| 41 | DTAC13PD | May 29, 2013 | December 20, 2013 |
| 42 | ADVA13CG | May 31, 2013 | December 20, 2013 |
| 43 | INTU13CC | May 31, 2013 | December 20, 2013 |
| 44 | BTS13CD | June 4, 2013 | January 10, 2014 |
| 45 | CPAL13CE | June 4, 2013 | January 10, 2014 |
| 46 | PTT13CI | June 4, 2013 | January 10, 2014 |
| 47 | SCB13CE | June 4, 2013 | January 10, 2014 |
| 48 | PTTG13CD | June 4, 2013 | January 10, 2014 |
| 49 | PTTG13PD | June 4, 2013 | January 10, 2014 |
| 50 | TRUE13CG | June 10, 2013 | January 10, 2014 |
| 51 | ADVA13PD | June 14, 2013 | December 20, 2013 |
| 52 | INTU13PA | June 14, 2013 | December 20, 2013 |
| 53 | KBAN13PE | June 25, 2013 | January 21, 2014 |
| 54 | BCP13CC | July 3, 2013 | January 24, 2014 |
| 55 | HMPR13CF | July 11, 2013 | January 24, 2014 |
| 56 | BJC13CE | July 11, 2013 | January 24, 2014 |
| 57 | PS13CE | July 11, 2013 | January 24, 2014 |
| 58 | BGH13CF | July 11, 2013 | January 24, 2014 |
| 59 | CPF13CE | July 11, 2013 | January 24, 2014 |
| 60 | IVL13CH | July 11, 2013 | January 24, 2014 |
| 61 | KBAN13CH | July 11, 2013 | January 24, 2014 |
| 62 | PTTE13C1402A | July 18, 2013 | February 21, 2014 |
| 63 | PTTE13P1402A | July 18, 2013 | February 21, 2014 |
| 64 | TRUE13C1402A | July 18, 2013 | February 21, 2014 |
| 65 | TRUE13P1402A | July 18, 2013 | February 21, 2014 |
| 66 | BANP13C1404A | July 24, 2013 | April 11, 2014 |
| 67 | CK13C1401A | July 29, 2013 | January 10, 2014 |
| 68 | KTB13C1402A | July 29, 2013 | February 28, 2014 |
| 69 | TOP13C1402A | July 29, 2013 | February 28, 2014 |
| 70 | SCC13C1402A | July 29, 2013 | February 28, 2014 |
| 71 | IRPC13C1402A | July 29, 2013 | February 28, 2014 |
| 72 | SCB13P1402A | July 29, 2013 | February 28, 2014 |
| 73 | PTT13P1402A | July 29, 2013 | February 28, 2014 |
| 74 | KK13C1403A | August 2, 2013 | March 28, 2014 |
| 75 | THAI13C1403A | August 2, 2013 | March 28, 2014 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|-------------------|
| 76 | ESSO13C1403A | August 14, 2013 | April 4, 2014 |
| 77 | QH13C1403A | August 14, 2013 | April 4, 2014 |
| 78 | SIRI13C1403A | August 14, 2013 | April 4, 2014 |
| 79 | STA13C1403A | August 14, 2013 | April 4, 2014 |
| 80 | THCO13C1403A | August 14, 2013 | April 4, 2014 |
| 81 | TTA13C1403A | August 14, 2013 | April 4, 2014 |
| 82 | BLAN13C1403A | August 29, 2013 | March 14, 2014 |
| 83 | CPN13C1403A | August 29, 2013 | March 14, 2014 |
| 84 | TMB13C1404A | September 3, 2013 | April 11, 2014 |
| 85 | ADVA13C1404A | September 3, 2013 | April 11, 2014 |
| 86 | JAS13C1404A | September 3, 2013 | April 11, 2014 |
| 87 | TRUE13C1312A | September 6, 2013 | December 30, 2013 |
| 88 | CK13C1402A | September 6, 2013 | February 21, 2014 |
| 89 | IVL13C1403A | September 19, 2013 | March 21, 2014 |
| 90 | TTA13C1401A | September 24, 2013 | February 3, 2014 |
| 91 | IVL13P1401A | October 8, 2013 | January 21, 2014 |
| 92 | BANP13C1403A | October 9, 2013 | March 18, 2014 |
| 93 | ITD13C1404A | October 17, 2013 | April 10, 2014 |
| 94 | TRUE13P1403A | October 17, 2013 | March 18, 2014 |
| 95 | SCB13C1403A | October 21, 2013 | March 19, 2014 |
| 96 | IVL13C1403B | October 29, 2013 | March 28, 2014 |
| 97 | ADVA13P1404A | November 11, 2013 | April 11, 2014 |
| 98 | DTAC13C1404A | November 11, 2013 | April 25, 2014 |
| 99 | DTAC13P1404A | November 11, 2013 | April 25, 2014 |
| 100 | INTU13C1404A | November 11, 2013 | April 25, 2014 |
| 101 | INTU13P1404A | November 11, 2013 | April 25, 2014 |
| 102 | JAS13C1405A | November 21, 2013 | May 12, 2014 |
| 103 | JAS13P1405A | November 21, 2013 | May 12, 2014 |
| 104 | TRUE13C1406A | November 21, 2013 | June 25, 2014 |
| 105 | PTT13C1403A | November 22, 2013 | April 1, 2014 |
| 106 | BBL13C1406A | November 22, 2013 | June 25, 2014 |
| 107 | BBL13P1406A | November 22, 2013 | June 25, 2014 |
| 108 | CPAL13C1406A | November 22, 2013 | June 11, 2014 |
| 109 | AOT13C1403A | December 2, 2013 | April 1, 2014 |
| 110 | BTS13C1405A | December 2, 2013 | May 14, 2014 |
| 111 | CK13C1404A | December 2, 2013 | April 8, 2014 |
| 112 | VGI13C1404A | December 2, 2013 | April 29, 2014 |
| 113 | IVL13P1404A | December 2, 2013 | April 8, 2014 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|----------------|
| 114 | KBAN13C1404A | December 3, 2013 | April 8, 2014 |
| 115 | KBAN13P1404A | December 3, 2013 | April 8, 2014 |
| 116 | PTTG13C1404A | December 3, 2013 | April 29, 2014 |
| 117 | PTTG13P1404A | December 3, 2013 | April 29, 2014 |
| 118 | BJC13C1405A | December 17, 2013 | June 3, 2014 |
| 119 | CPF13C1406A | December 17, 2013 | June 11, 2014 |
| 120 | HMPR13C1406A | December 17, 2013 | June 25, 2014 |
| 121 | PS13C1405A | December 17, 2013 | June 3, 2014 |
| 122 | CK13C1406A | January 3, 2014 | June 18, 2014 |
| 123 | JAS13C1406A | January 3, 2014 | June 18, 2014 |
| 124 | PTT13C1405A | January 10, 2014 | May 16, 2014 |
| 125 | PTT13P1405A | January 24, 2014 | May 16, 2014 |
| 126 | AOT13C1405A | January 9, 2014 | May 22, 2014 |
| 127 | SCC13C1405A | January 9, 2014 | May 22, 2014 |
| 128 | IVL13C1405A | January 10, 2014 | May 29, 2014 |
| 129 | ITD13C1405A | January 10, 2014 | May 29, 2014 |
| 130 | AOT13C1405B | February 25, 2014 | May 29, 2014 |
| 131 | TRUE13C1405A | January 8, 2014 | June 5, 2014 |
| 132 | TRUE13P1405A | January 24, 2014 | June 5, 2014 |
| 133 | AOT13P1405A | February 26, 2014 | June 3, 2014 |
| 134 | BANP13C1406A | January 9, 2014 | June 12, 2014 |
| 135 | IRPC13C1406A | January 9, 2014 | June 12, 2014 |
| 136 | CPN13C1406A | January 10, 2014 | June 12, 2014 |
| 137 | INTU13C1406A | January 10, 2014 | June 12, 2014 |
| 138 | ADVA13C1406B | January 10, 2014 | June 11, 2014 |
| 139 | AOT13C1406A | January 30, 2014 | June 11, 2014 |
| 140 | TRUE13P1406A | February 6, 2014 | June 12, 2014 |
| 141 | CK13C1406A | January 3, 2014 | June 18, 2014 |
| 142 | JAS13C1406A | January 3, 2014 | June 18, 2014 |
| 143 | KTB13C1406A | January 16, 2014 | June 24, 2014 |
| 144 | VGI13C1406A | January 16, 2014 | June 24, 2014 |
| 145 | STEC13C1406A | January 27, 2014 | June 19, 2014 |
| 146 | THAI13C1406A | January 27, 2014 | June 19, 2014 |
| 147 | TTA13C1406A | February 18, 2014 | June 19, 2014 |
| 148 | VGI13P1406A | February 26, 2014 | June 24, 2014 |
| 149 | ADVA13C1406A | January 8, 2014 | July 2, 2014 |
| 150 | SCB13C1406A | January 8, 2014 | July 2, 2014 |
| 151 | SCB13P1406A | January 24, 2014 | July 2, 2014 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|--------------------|
| 152 | ADVA13P1406A | February 18, 2014 | July 2, 2014 |
| 153 | PTTE13C1406A | January 24, 2014 | July 4, 2014 |
| 154 | PTTE13P1406A | January 24, 2014 | July 4, 2014 |
| 155 | BANP13C1407A | January 27, 2014 | July 17, 2014 |
| 156 | TMB13C1407A | January 27, 2014 | July 17, 2014 |
| 157 | TRUE13C1407A | February 6, 2014 | July 10, 2014 |
| 158 | VGI13C1407A | February 11, 2014 | July 16, 2014 |
| 159 | SAMA13C1407A | February 12, 2014 | July 16, 2014 |
| 160 | WHA13C1407A | February 12, 2014 | July 16, 2014 |
| 161 | IVL13C1407A | March 31, 2014 | July 17, 2014 |
| 162 | BBL13C1407A | January 27, 2014 | July 24, 2014 |
| 163 | TOP13C1407A | January 27, 2014 | July 24, 2014 |
| 164 | KBAN13C1407A | February 18, 2014 | July 23, 2014 |
| 165 | SCC13C1407A | February 18, 2014 | July 23, 2014 |
| 166 | HMPR13C1407A | March 7, 2014 | July 23, 2014 |
| 167 | TTA13P1407A | March 19, 2014 | July 31, 2014 |
| 168 | ESSO13C1408A | February 18, 2014 | August 7, 2014 |
| 169 | STA13C1408A | February 18, 2014 | August 7, 2014 |
| 170 | BGH13C1408A | March 3, 2014 | August 15, 2014 |
| 171 | TTA13C1408A | March 4, 2014 | August 13, 2014 |
| 172 | IVL13P1408A | March 14, 2014 | August 15, 2014 |
| 173 | JAS13C1408A | March 26, 2014 | August 13, 2014 |
| 174 | SIRI13C1408A | March 7, 2014 | August 25, 2014 |
| 175 | SPAL13C1408A | March 7, 2014 | August 25, 2014 |
| 176 | DTAC13C1408A | March 7, 2014 | August 25, 2014 |
| 177 | DTAC13P1408A | March 7, 2014 | August 25, 2014 |
| 178 | ADVA13C1408A | March 26, 2014 | August 25, 2014 |
| 179 | PTTG13C1408A | March 26, 2014 | August 25, 2014 |
| 180 | PTTG13P1408A | March 26, 2014 | August 25, 2014 |
| 181 | INTU13P1408A | March 31, 2014 | August 25, 2014 |
| 182 | THCO13C1409A | March 14, 2014 | September 11, 2014 |
| 183 | KBAN13P1409A | March 14, 2014 | September 11, 2014 |
| 184 | TTA13C1409A | March 19, 2014 | September 18, 2014 |
| 185 | ITD13C1409A | April 23, 2014 | September 18, 2014 |
| 186 | PS13C1409A | April 9, 2014 | September 25, 2014 |
| 187 | BTS13C1409A | April 16, 2014 | September 25, 2014 |
| 188 | PTT13C1409A | April 16, 2014 | September 25, 2014 |
| 189 | PTT13P1409A | April 16, 2014 | September 25, 2014 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|--------------------|
| 190 | JAS13P1409A | April 16, 2014 | September 25, 2014 |
| 191 | AOT13C1409A | April 23, 2014 | September 26, 2014 |
| 192 | TRUE13C1409A | March 19, 2014 | October 2, 2014 |
| 193 | S5013C1409A | April 17, 2014 | October 3, 2014 |
| 194 | S5013P1409A | April 24, 2014 | October 3, 2014 |
| 195 | S5013C1409B | June 6, 2014 | October 3, 2014 |
| 196 | TRUE13C1410A | April 23, 2014 | October 9, 2014 |
| 197 | BJC13C1410A | April 24, 2014 | October 15, 2014 |
| 198 | INTU13C1410A | April 24, 2014 | October 15, 2014 |
| 199 | SCB13C1410A | April 24, 2014 | October 15, 2014 |
| 200 | TRUE13P1410A | May 7, 2014 | October 9, 2014 |
| 201 | BGH13C1410A | May 2, 2014 | October 24, 2014 |
| 202 | CPF13C1410A | April 24, 2014 | November 6, 2014 |
| 203 | BMCL13C1411A | June 17, 2014 | November 13, 2014 |
| 204 | BLAN13C1411A | July 7, 2014 | November 13, 2014 |
| 205 | ADVA13P1411A | May 12, 2014 | November 20, 2014 |
| 206 | SCB13P1411A | May 12, 2014 | November 20, 2014 |
| 207 | BBL13P1411A | May 14, 2014 | November 20, 2014 |
| 208 | IVL13C1411A | May 15, 2014 | November 20, 2014 |
| 209 | CK13C1412A | May 12, 2014 | December 12, 2014 |
| 210 | CPAL13C1412A | May 14, 2014 | December 18, 2014 |
| 211 | PTTE13C1412A | May 14, 2014 | December 18, 2014 |
| 212 | PTTE13P1412A | May 14, 2014 | December 18, 2014 |
| 213 | BMCL13C1412A | June 2, 2014 | December 25, 2014 |
| 214 | SPCG13C1412A | June 13, 2014 | December 25, 2014 |
| 215 | ITD13C1412A | June 17, 2014 | December 30, 2014 |
| 216 | TRUE13P1412A | June 17, 2014 | December 30, 2014 |
| 217 | ADVA13C1412A | July 9, 2014 | December 23, 2014 |
| 218 | TTA13C1412A | August 5, 2014 | December 23, 2014 |
| 219 | IVL13C1412A | May 19, 2014 | January 2, 2015 |
| 220 | STEC13C1412A | May 29, 2014 | January 5, 2015 |
| 221 | JAS13C1412A | May 29, 2014 | January 5, 2015 |
| 222 | DTAC13P1412A | June 5, 2014 | January 5, 2015 |
| 223 | TRUE13C1412A | June 20, 2014 | January 5, 2015 |
| 224 | IVL13P1412A | August 21, 2014 | January 2, 2015 |
| 225 | S5013C1412A | August 29, 2014 | January 6, 2015 |
| 226 | S5013P1412A | August 29, 2014 | January 6, 2015 |
| 227 | TRUE13C1501A | July 17, 2014 | January 15, 2015 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|-------------------|
| 228 | PTTG13C1501A | July 17, 2014 | January 15, 2015 |
| 229 | AOT13C1501A | July 22, 2014 | January 15, 2015 |
| 230 | BMCL13C1501A | July 22, 2014 | January 15, 2015 |
| 231 | BLAN13C1501A | July 24, 2014 | January 15, 2015 |
| 232 | BANP13C1501A | July 29, 2014 | January 16, 2015 |
| 233 | CK13C1501A | July 29, 2014 | January 16, 2015 |
| 234 | VGI13C1503A | March 6, 2014 | March 16, 2015 |
| 235 | IRPC13C1502A | May 29, 2014 | February 19, 2015 |
| 236 | CPN13C1502A | June 5, 2014 | February 19, 2015 |
| 237 | KTBI13C1502A | June 5, 2014 | February 19, 2015 |
| 238 | THAI13C1502A | June 13, 2014 | February 19, 2015 |
| 239 | WHA13C1502A | June 17, 2014 | February 19, 2015 |
| 240 | SC13C1512A | July 3, 2014 | December 23, 2015 |
| 241 | SAMA13C1501A | July 7, 2014 | January 22, 2015 |
| 242 | BANP13C1502A | July 7, 2014 | February 12, 2015 |
| 243 | SCC13C1502A | July 7, 2014 | February 12, 2015 |
| 244 | BBL13C1501A | July 9, 2014 | January 22, 2015 |
| 245 | KBAN13C1501A | July 9, 2014 | January 22, 2015 |
| 246 | TOP13C1502A | July 9, 2014 | March 5, 2015 |
| 247 | EART13C1501A | August 1, 2014 | January 22, 2015 |
| 248 | INTU13C1501A | August 1, 2014 | January 22, 2015 |
| 249 | KBAN13P1502A | August 1, 2014 | March 5, 2015 |
| 250 | DTAC13C1502A | August 5, 2014 | February 25, 2015 |
| 251 | STA13C1502A | August 5, 2014 | February 25, 2015 |
| 252 | TMB13C1502A | August 5, 2014 | February 25, 2015 |
| 253 | THCO13C1502A | August 5, 2014 | February 25, 2015 |
| 254 | PTTG13P1502A | August 5, 2014 | March 5, 2015 |
| 255 | JAS13C1501A | August 14, 2014 | January 20, 2015 |
| 256 | INTU13P1501A | August 21, 2014 | January 22, 2015 |
| 257 | TRUE13C1502A | August 25, 2014 | February 10, 2015 |
| 258 | BGH13C1502A | August 28, 2014 | February 19, 2015 |
| 259 | BTS13C1503A | August 28, 2014 | March 10, 2015 |
| 260 | LH13C1503A | August 28, 2014 | March 10, 2015 |
| 261 | SAMA13C1503A | August 28, 2014 | March 10, 2015 |
| 262 | TTA13P1503A | August 28, 2014 | March 10, 2015 |
| 263 | PTT13C1501A | August 29, 2014 | January 29, 2015 |
| 264 | PTT13P1501A | August 29, 2014 | January 29, 2015 |
| 265 | TPIP13C1502A | September 10, 2014 | February 24, 2015 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|-------------------|
| 266 | TTA13C1502A | September 10, 2014 | February 12, 2015 |
| 267 | TTA13C1503A | September 10, 2014 | March 26, 2015 |
| 268 | TTCL13C1502A | September 11, 2014 | February 12, 2015 |
| 269 | BMCL13C1502A | September 12, 2014 | February 24, 2015 |
| 270 | JAS13P1502A | September 12, 2014 | February 24, 2015 |
| 271 | TRUE13C1501B | September 17, 2014 | January 22, 2015 |
| 272 | EART13C1503A | September 22, 2014 | March 10, 2015 |
| 273 | TRUE13P1502A | September 22, 2014 | February 19, 2015 |
| 274 | SCB13C1503A | September 23, 2014 | March 19, 2015 |
| 275 | STEC13C1502A | September 23, 2014 | February 17, 2015 |
| 276 | KTB13C1504A | September 26, 2014 | April 10, 2015 |
| 277 | BTS13C1504A | September 30, 2014 | April 10, 2015 |
| 278 | VGI13C1502A | September 30, 2014 | March 5, 2015 |
| 279 | TICO13C1503A | September 30, 2014 | March 9, 2015 |
| 280 | BLAN13C1503A | October 15, 2014 | March 18, 2015 |
| 281 | CPF13C1504A | October 15, 2014 | April 10, 2015 |
| 282 | IVL13C1503A | October 15, 2014 | March 18, 2015 |
| 283 | ADVA13C1504A | October 16, 2014 | April 10, 2015 |
| 284 | ADVA13P1504A | October 16, 2014 | April 10, 2015 |
| 285 | BBL13P1503A | October 16, 2014 | March 10, 2015 |
| 286 | SCB13P1503A | October 16, 2014 | March 19, 2015 |
| 287 | SAMA13C1505A | October 20, 2014 | May 14, 2015 |
| 288 | TPIP13C1504A | October 22, 2014 | April 9, 2015 |
| 289 | TTA13C1504A | October 22, 2014 | April 9, 2015 |
| 290 | BJCH13C1504A | November 7, 2014 | May 8, 2015 |
| 291 | PTT13C1503A | November 11, 2014 | March 18, 2015 |
| 292 | PTT13P1503A | November 11, 2014 | March 18, 2015 |
| 293 | PTTG13C1505A | November 11, 2014 | May 14, 2015 |
| 294 | TOP13C1505A | November 11, 2014 | May 14, 2015 |
| 295 | TPIP13C1505A | November 11, 2014 | May 14, 2015 |
| 296 | ITD13C1505A | November 13, 2014 | May 28, 2015 |
| 297 | TRUE13C1505A | November 13, 2014 | May 14, 2015 |
| 298 | PTTE13C1505A | November 14, 2014 | June 5, 2015 |
| 299 | PTTE13P1505A | November 14, 2014 | June 5, 2015 |
| 300 | SIRI13C1505A | November 14, 2014 | June 5, 2015 |
| 301 | CPAL13C1505A | November 17, 2014 | June 5, 2015 |
| 302 | DTAC13P1505A | November 17, 2014 | June 5, 2015 |
| 303 | IVL13P1504A | November 17, 2014 | April 10, 2015 |

| No. | Name of DW | First Trading Date | Maturity Date |
|-----|--------------|--------------------|-------------------|
| 304 | BCP13C1505A | November 19, 2014 | May 28, 2015 |
| 305 | JAS13C1504A | November 19, 2014 | May 8, 2015 |
| 306 | SPCG13C1505A | November 20, 2014 | May 28, 2015 |
| 307 | S5013C1503A | November 25, 2014 | April 3, 2015 |
| 308 | S5013P1503A | November 25, 2014 | April 3, 2015 |
| 309 | DTAC13C1503A | November 26, 2014 | March 10, 2015 |
| 310 | ITD13C1504A | November 26, 2014 | April 21, 2015 |
| 311 | AOT13C1504A | November 28, 2014 | April 21, 2015 |
| 312 | BBL13C1505A | November 28, 2014 | May 13, 2015 |
| 313 | KBAN13C1505A | November 28, 2014 | May 20, 2015 |
| 314 | BMCL13C1505A | December 3, 2014 | May 13, 2015 |
| 315 | CK13C1505A | December 3, 2014 | May 13, 2015 |
| 316 | INTU13C1504A | December 3, 2014 | April 21, 2015 |
| 317 | TTCL13C1505A | December 3, 2014 | May 13, 2015 |
| 318 | MINT13C1505A | December 12, 2014 | May 21, 2015 |
| 319 | TRUE13C1504A | December 12, 2014 | April 30, 2015 |
| 320 | PTTE13C1504A | December 17, 2014 | April 29, 2015 |
| 321 | TTA13C1505A | December 17, 2014 | June 3, 2015 |
| 322 | NOK13C1504A | December 17, 2014 | April 20, 2015 |
| 323 | PTT13C1504A | December 19, 2014 | April 9, 2015 |
| 324 | S5013C1503B | December 19, 2014 | April 3, 2015 |
| 325 | PTTE13P1504A | December 26, 2014 | April 29, 2015 |
| 326 | ESSO13C1606A | December 30, 2014 | June 16, 2016 |
| 327 | SRIC13C1512A | December 30, 2014 | December 29, 2015 |
| 328 | WHA13C1512A | December 30, 2014 | December 29, 2015 |

Attachment 5

Branch & Regional locations

Branch location of KGI Securities (Thailand) Plc

| Bangkok Branch | | Provincial Branch | |
|---|--|---|--|
| Pin Klao 7/129 Central Pinklao Building, 7 th Floor, Room no. 704, Boromrajchonnane Road, Arunammarin Sub-District, Bangkok Noi District, Bangkok 10700 Tel: 0 2884 9090-8 Fax: 0 2884 9099 | | Hat Yai 29 Lee Garden Plaza, 6 th Floor, Room no. 602, Prachathipat Road, Hat Yai Sub-District, Hat Yai District, Songkhla 90110 Tel: 0 7435 2520-39 Fax: 0 7423 7164 | |
| Changwattana 99/349 Na-nakorn building, 1 st Floor, Changwattana Road, Tongsonghong Sub-District, Laksee District, Bangkok 10210 Tel: 0 2576 1889 Fax: 0 2576 1562 | | Nakhon Ratchasima 1242/2 The Mall Shopping Center, Nakhon-Ratchasima branch, 3 rd Floor, Room A2, Mittapap Road, Naimuang Sub-District, Muang District, Nakhon Ratchasima 30000 Tel: 0 4439 3722 Fax: 0 4439 3723 | |
| Thapra 99 The Mall Shopping Complex, 6 th Floor, Room no. 1, Ratchadapisek Road (Thapra-Taksin), Bukkhallow Sub-District, Thonburi District, Bangkok 10600 Tel: 0 2876 4800-6 Fax: 0 2876 4807 | | Samut Sakhon 923/55 A.T. Tower Building, Ekachai Road, Maha Chai Sub-District, Muang District, Samut Sakhon 74000 Tel: 0 3442 6940 -7 Fax: 0 3482 6375 | |
| Silom Center 2, Silom Center Building , 18 th Floor, Room 1803, Silom Road, Suriyawong Sub-District, Bangrak District, Bangkok 10500 Tel: 0 2632 9360 Fax: 0 2632 9370 | | Suphan Buri 28/6-7 Muanhan Road, Thapeeleang Sub-District, Muang District, Suphan Buri 72000 Tel: 0 3552 2530-3 Fax: 0 3550 2875 | |
| Silom Complex 191, Silom Complex Building, 20 th Floor, Room no. 3-5, Silom Road, Silom Sub-district, Bangrak District, Bangkok 10500 Tel: 0 2126 6366 Fax: 0 2126 6396-98 | | Nakhon Sawan 15/28-29 Sawanvithi Road, Pak Nam Pho Sub-District, Muang District, Nakhon Sawan 60000 Tel: 0 5631 4211-9 Fax: 0 5631 4211 | |
| Pracha Chuen 99/218, Moo 6, Boonto 6 project Cheangwattana Road, Banmai sub-district, Pakkred District, Nonthaburi 11120 Tel: 0 2565 5410, 0 2565 5402-8 Fax: 0 2565 5860 | | Nakhon Pathom 1 28/32, 1 st Floor, Yingpao Road, Sanamjan Sub-District, Muang District, Nakhon Pathom 73000 Tel: 0 3427 2300-6, 0 3427 2308-9 Fax: 0 3421 9262 | |
| | | Chiang Rai 490/1 Utrarakit Road, Weang Sub-District, Muang District, Chiang Rai 57000 Tel: 0 5374 0701-7 Fax: 0 5371 3117 | |
| | | Phetchaburi 96/1-2, Moo 8, Kirirattaya Road, Thongchai Sub-District, Muang District, Petchaburi 76000 Tel: 0 3241 8371-5 Fax: 0 3241 8375 | |
| | | Udon Thani 26-27 Naraesuan Road, Makkeng Sub-District, Muang District, Udon Thani 41000 Tel: 0 4224 4008, 0 4224 3536, Fax: 0 4224 3960 | |
| | | Nakhon Pathom 2 28/32, 2 nd Floor, Yingpao Road, Sanamjan Sub-District, Muang District, Nakhon Pathom 73000 Tel: 0 3427 2307, 0 3427 2519-21 0 3427 2496-7 Fax: 0 3427 2309 | |
| | | Online Udon Thani 168 Moo 6, 168 Platinum Project, Room P-004 (B), Boonyahan Road, Nadee Sub-District, Muang District, Udon Thani 41000 Tel: 0 4224 4008 Fax: 0 4224 3960 | |

| Subsidiary Company | Regional Office | |
|---|---|--|
| One Asset Management Limited 989 Siam Tower (Siam Discovery), 24 th Floor, Rama I Road, Pathumwan Sub-District, Pathumwan District, Bangkok 10330, Thailand Tel: 66 (0) 2659 8888 Fax : 66 (0) 2659 8860 Website : http:// www.one-asset.com | Taiwan KGI Securities Co. Ltd. No.700, Mingshui Road, Zhongshan District, Taipei City 10462, Taiwan (R.O.C.) Tel: (886-2) 2181-8888 Fax : (886-2) 8501-2944 Website : http://www.kgi.com | |
| | Hong Kong KGI Hong Kong group 41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Tel : (852) 2878-6888 Fax : (852) 2878-6800 Website: http://www.kgiworld.com | |

Attachment 6

Financial statements for the year ended 31st December 2014

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of KGI Securities (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of KGI Securities (Thailand) Public Company Limited and its subsidiaries and of KGI Securities (Thailand) Public Company Limited as at December 31, 2014, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other Matter

The consolidated financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of KGI Securities (Thailand) Public Company Limited for the year ended December 31, 2013, presented herein as comparative information, were audited by another auditor, whose report thereon dated February 27, 2014 expressed an unmodified opinion on those statements.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK
February 27, 2015

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

UNIT : BAHT

| | | CONSOLIDATED | | SEPARATE | |
|--|-------|----------------------|---------------|----------------------|----------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | Notes | As at | As at | As at | As at |
| | | December 31, | December 31, | December 31, | December 31, |
| | | 2014 | 2013 | 2014 | 2013 |
| ASSETS | | | | | |
| ASSETS | | | | | |
| Cash and cash equivalents | 6 | 393,172,029 | 985,216,088 | 264,278,865 | 777,556,023 |
| Deposits at financial institutions | 7 | 196,524,352 | 89,536,253 | 1,568,352 | 1,527,746 |
| Securities purchased under resale agreements | | - | 365,000,000 | - | 365,000,000 |
| Receivables from Clearing House | 8 | 740,715,454 | 371,152,530 | 740,715,454 | 371,152,530 |
| Securities and derivatives business | | | | | |
| receivables - net | 9 | 4,885,697,887 | 4,105,047,443 | 4,885,697,887 | 4,105,047,443 |
| Derivatives assets | 11 | 34,498,195 | 34,810,330 | 34,498,195 | 34,810,330 |
| Investments - net | 12 | 3,825,683,010 | 1,893,896,610 | 3,649,040,506 | 1,885,875,752 |
| Investments in subsidiaries - net | 13 | - | - | 2,549,733,109 | 2,549,733,109 |
| Premises and equipment - net | 14 | 103,879,967 | 103,263,269 | 86,420,447 | 84,723,663 |
| Intangible assets - net | 15 | 69,384,791 | 59,592,986 | 48,410,354 | 40,745,882 |
| Goodwill | | 26,713,599 | 26,713,599 | - | - |
| Properties foreclosed - net | 16 | 44,838,573 | 51,813,155 | 44,838,573 | 51,813,155 |
| Deferred tax assets | 17 | 1,567,588 | 975,531 | - | - |
| Other assets | 18 | 199,768,733 | 171,719,694 | 145,878,140 | 133,828,681 |
| TOTAL ASSETS | | 10,522,444,178 | 8,258,737,488 | 12,451,079,882 | 10,401,814,314 |

Notes to the financial statements form an integral part of these statements

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2014

UNIT : BAHT

| | | CONSOLIDATED | | SEPARATE | |
|--|-------|-----------------------|----------------------|-----------------------|-----------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | Notes | As at | As at | As at | As at |
| | | December 31, | December 31, | December 31, | December 31, |
| | | 2014 | 2013 | 2014 | 2013 |
| LIABILITIES AND OWNERS' EQUITY | | | | | |
| LIABILITIES | | | | | |
| Borrowings from financial institutions | 19 | 600,000,000 | - | 600,000,000 | - |
| Securities sold under repurchase agreements | 20 | 130,000,000 | 165,000,000 | 130,000,000 | 165,000,000 |
| Payables to Clearing House | | - | 307,042,599 | - | 307,042,599 |
| Securities and derivatives business payables | 21 | 3,236,018,804 | 1,976,947,119 | 3,236,018,804 | 1,976,947,119 |
| Subordinated loans from subsidiaries | 22 | - | - | 1,936,500,000 | 2,099,000,000 |
| Accrued expenses | | 414,025,989 | 364,113,200 | 360,028,987 | 323,309,210 |
| Income tax payable | | 72,306,169 | 36,627,569 | 64,949,143 | 33,271,101 |
| Derivatives liabilities | 11 | 116,470,811 | 164,408,911 | 116,470,811 | 164,408,911 |
| Debt issued and borrowings | 19 | 657,193,094 | 2,995,905 | 657,193,094 | 2,995,905 |
| Provisions for long-term employee benefits | 23 | 46,737,284 | 41,020,621 | 42,186,848 | 37,869,928 |
| Provisions for liabilities | | 39,861,562 | 39,347,767 | 37,205,062 | 36,691,267 |
| Deferred tax liabilities | 17 | 25,742,445 | 28,059,734 | 25,742,445 | 28,059,734 |
| Other liabilities | | 22,974,552 | 23,237,533 | 23,631,630 | 22,294,872 |
| Total liabilities | | 5,361,330,710 | 3,148,800,958 | 7,229,926,824 | 5,196,890,646 |
| OWNERS' EQUITY | | | | | |
| Share capital | | | | | |
| Registered, issued and fully paid-up | | | | | |
| 1,991,763,130 ordinary shares of Baht 1.00 each | | 1,991,763,130 | 1,991,763,130 | 1,991,763,130 | 1,991,763,130 |
| Share premium | | 982,166,480 | 982,166,480 | 982,166,480 | 982,166,480 |
| Surplus from unexercised warrants | | 101,922,580 | 101,922,580 | 101,922,580 | 101,922,580 |
| Other component of owners' equity | | (45,470,837) | (51,885,273) | - | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | | 199,176,313 | 199,176,313 | 199,176,313 | 199,176,313 |
| Unappropriated | | 1,928,957,423 | 1,884,568,477 | 1,946,124,555 | 1,929,895,165 |
| Equity attributable to equity holders of the parent | | 5,158,515,089 | 5,107,711,707 | 5,221,153,058 | 5,204,923,668 |
| Non-controlling interests | | 2,598,379 | 2,224,823 | - | - |
| Total owners' equity | | 5,161,113,468 | 5,109,936,530 | 5,221,153,058 | 5,204,923,668 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 10,522,444,178 | 8,258,737,488 | 12,451,079,882 | 10,401,814,314 |

Notes to the financial statements form an integral part of these statements

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014**

UNIT : BAHT

| | Notes | CONSOLIDATED | | SEPARATE | |
|--|-------|----------------------|----------------------|----------------------|----------------------|
| | | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | | 2014 | 2013 | 2014 | 2013 |
| REVENUES | | | | | |
| Brokerage fees | 27 | 1,084,137,945 | 1,241,237,892 | 1,085,517,356 | 1,244,021,996 |
| Fees and service income | 28 | 406,103,548 | 442,040,076 | 38,112,314 | 113,204,749 |
| Gains (losses) on securities | | 222,444,613 | (590,488,315) | 221,709,227 | (590,488,315) |
| Gains on derivatives | | 507,211,244 | 1,302,256,092 | 507,211,244 | 1,302,256,092 |
| Interest and dividends | | 262,605,880 | 270,526,888 | 304,566,570 | 291,756,423 |
| Interest on margin loans | | 89,189,361 | 90,377,379 | 89,189,361 | 90,377,379 |
| Other income | | 11,944,116 | 2,707,485 | 6,305,622 | 2,936,147 |
| Total revenues | | <u>2,583,636,707</u> | <u>2,758,657,497</u> | <u>2,252,611,694</u> | <u>2,454,064,471</u> |
| EXPENSES | | | | | |
| Finance costs | | 109,371,813 | 113,587,207 | 109,371,813 | 113,587,207 |
| Fees and service expenses | | 249,416,253 | 282,507,846 | 194,245,040 | 218,206,621 |
| Operating expenses | | | | | |
| Personnel expenses | | 865,112,355 | 895,082,035 | 726,252,828 | 783,921,223 |
| Premises and equipment expenses | | 176,019,798 | 205,703,070 | 146,714,928 | 176,951,290 |
| Directors' remuneration | 29 | 27,128,613 | 29,593,613 | 21,800,000 | 24,530,000 |
| Other expenses | | 197,201,920 | 227,988,681 | 145,845,683 | 134,725,702 |
| Total operating expenses | | <u>1,265,462,686</u> | <u>1,358,367,399</u> | <u>1,040,613,439</u> | <u>1,120,128,215</u> |
| Bad debts and doubtful accounts (reversal) | | (3,468,037) | (1,697,005) | (3,468,037) | (1,697,005) |
| Impairment loss on investment in a subsidiary | | - | - | - | 77,000,000 |
| Total expenses | | <u>1,620,782,715</u> | <u>1,752,765,447</u> | <u>1,340,762,255</u> | <u>1,527,225,038</u> |
| Profits before income tax expenses | | 962,853,992 | 1,005,892,050 | 911,849,439 | 926,839,433 |
| Income tax expenses | 33 | (200,703,174) | (222,017,460) | (178,673,471) | (203,661,518) |
| Net Profits | | <u>762,150,818</u> | <u>783,874,590</u> | <u>733,175,968</u> | <u>723,177,915</u> |
| Other comprehensive income: | | | | | |
| Gain on remeasurement of | | | | | |
| available-for-sale investment | | 3,820,773 | - | - | - |
| Gain on translation of the financial statements | | | | | |
| of foreign operation | | 2,593,663 | 1,874,666 | - | - |
| Total other comprehensive income | | <u>6,414,436</u> | <u>1,874,666</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income | | <u>768,565,254</u> | <u>785,749,256</u> | <u>733,175,968</u> | <u>723,177,915</u> |
| Profits attributable to: | | | | | |
| Equity holders of the parent | | 761,335,524 | 783,197,074 | <u>733,175,968</u> | <u>723,177,915</u> |
| Non-controlling interests | | 815,294 | 677,516 | | |
| | | <u>762,150,818</u> | <u>783,874,590</u> | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the parent | | 767,749,960 | 785,071,740 | <u>733,175,968</u> | <u>723,177,915</u> |
| Non-controlling interests | | 815,294 | 677,516 | | |
| | | <u>768,565,254</u> | <u>785,749,256</u> | | |
| Earnings per share attributable to equity holders | | | | | |
| of the parent | | | | | |
| Basic earning per share | 32 | 0.38 | 0.39 | 0.37 | 0.36 |

Notes to the financial statements form an integral part of these statements

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

UNIT : BAHT

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | | | |
|--|---------------|---------------|-------------|------------|--------------------|--------------|----------------|---------------|-----------|---------------|
| Equity attributable to shareholders of the Parent | | | | | | | | | | |
| Other component of owners' equity | | | | | | | | | | |
| Exchange | | | | | | | | | | |
| surplus on differences arising from | | | | | | | | | | |
| Total equity | | | | | | | | | | |
| attributable | | | | | | | | | | |
| Surplus from re-measuring translation of the financial | | | | | | | | | | |
| unexercised available-for-sale statements of | | | | | | | | | | |
| Retained earnings | | | | | | | | | | |
| Appropriated Unappropriated | | | | | | | | | | |
| to equity holders of the parent | | | | | | | | | | |
| Non-controlling interests | | | | | | | | | | |
| Total | | | | | | | | | | |
| Note | Share capital | Share premium | warrants | investment | foreign operations | Appropriated | Unappropriated | of the parent | interests | Total |
| Balance as at January 1, 2013 | 1,991,763,130 | 982,166,480 | 101,922,580 | - | (53,759,939) | 199,176,313 | 1,559,431,876 | 4,780,700,440 | 1,914,283 | 4,782,614,723 |
| Dividend paid | 35 | - | - | - | - | - | (458,060,473) | (458,060,473) | (245,410) | (458,305,883) |
| Total comprehensive income for the year | - | - | - | - | 1,874,666 | - | 783,197,074 | 785,071,740 | 677,516 | 785,749,256 |
| Decrease in non-controlling interests | - | - | - | - | - | - | - | - | (121,566) | (121,566) |
| Balance as at Decebmer 31, 2013 | 1,991,763,130 | 982,166,480 | 101,922,580 | - | (51,885,273) | 199,176,313 | 1,884,568,477 | 5,107,711,707 | 2,224,823 | 5,109,936,530 |
| Balance as at January 1, 2014 | 1,991,763,130 | 982,166,480 | 101,922,580 | - | (51,885,273) | 199,176,313 | 1,884,568,477 | 5,107,711,707 | 2,224,823 | 5,109,936,530 |
| Dividend paid | 35 | - | - | - | - | - | (716,946,578) | (716,946,578) | (441,738) | (717,388,316) |
| Total comprehensive income for the year | - | - | - | 3,820,773 | 2,593,663 | - | 761,335,524 | 767,749,960 | 815,294 | 768,565,254 |
| Balance as at December 31, 2014 | 1,991,763,130 | 982,166,480 | 101,922,580 | 3,820,773 | (49,291,610) | 199,176,313 | 1,928,957,423 | 5,158,515,089 | 2,598,379 | 5,161,113,468 |

Notes to the financial statements form an integral part of these statements

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2014

UNIT : BAHT

| SEPARATE FINANCIAL STATEMENTS | | | | | | |
|---|----------------------|--------------------|-------------------------|--------------------|----------------------|----------------------|
| Note | Share capital | Share premium | Surplus from | Retained earnings | | Total |
| | | | unexercised warrants | Appropriated | Unappropriated | |
| Balance as at January 1, 2013 | 1,991,763,130 | 982,166,480 | 101,922,580 | 199,176,313 | 1,664,777,723 | 4,939,806,226 |
| Dividend paid | 35 | - | - | - | (458,060,473) | (458,060,473) |
| Total comprehensive income for the year | - | - | - | - | 723,177,915 | 723,177,915 |
| Balance as at December 31, 2013 | <u>1,991,763,130</u> | <u>982,166,480</u> | <u>101,922,580</u> | <u>199,176,313</u> | <u>1,929,895,165</u> | <u>5,204,923,668</u> |
| Balance as at January 1, 2014 | 1,991,763,130 | 982,166,480 | 101,922,580 | 199,176,313 | 1,929,895,165 | 5,204,923,668 |
| Dividend paid | 35 | - | - | - | (716,946,578) | (716,946,578) |
| Total comprehensive income for the year | - | - | - | - | 733,175,968 | 733,175,968 |
| Balance as at December 31, 2014 | <u>1,991,763,130</u> | <u>982,166,480</u> | <u>101,922,580</u> | <u>199,176,313</u> | <u>1,946,124,555</u> | <u>5,221,153,058</u> |

Notes to the financial statements form an integral part of these statements

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

UNIT : BAHT

| | CONSOLIDATED | | SEPARATE | |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2014 | 2013 | 2014 | 2013 |
| Cash flows from operating activities | | | | |
| Profits before income tax expenses | 962,853,992 | 1,005,892,050 | 911,849,439 | 926,839,433 |
| Adjustments to reconcile profits before income tax expenses | | | | |
| to net cash provided by (paid for) operating activities: | | | | |
| Depreciation and amortisation | 45,998,266 | 75,453,151 | 35,515,577 | 65,493,523 |
| Bad debts and doubtful accounts | 10,449,878 | 12,166,619 | 10,449,878 | 12,166,619 |
| Provisions for liabilities | 342,987 | - | 342,987 | - |
| (Gains) losses on revaluation of trading securities and derivatives | (67,429,549) | 14,748,707 | (67,429,549) | 14,748,707 |
| Premium on investments in debt securities of a subsidiary | 14,127 | 14,127 | - | - |
| Discount on debts issued and other borrowings | (13,380,054) | - | (13,380,054) | - |
| Impairment loss on investment in a subsidiaries | - | - | - | 77,000,000 |
| (Gains) losses on disposals and written-off of equipment | (580,202) | 187,500 | (575,065) | (36,211) |
| (Gains) losses on disposals of property foreclosed | (3,045,418) | 30,000 | (3,045,418) | 30,000 |
| Interest income on deposits and investments | (164,549,106) | (192,669,693) | (159,710,724) | (187,897,745) |
| Dividend income | (98,047,583) | (77,854,088) | (144,855,845) | (103,858,678) |
| Financial costs | 116,267,642 | 113,587,207 | 116,267,642 | 113,587,207 |
| Provisions for long-term employee benefits (reversal) | 5,716,663 | 831,870 | 4,316,920 | (154,842) |
| Cash received from interest income on deposits and investments | 168,637,161 | 189,603,562 | 162,966,154 | 185,744,846 |
| Cash paid for interest expenses | (108,445,353) | (112,936,883) | (108,445,353) | (112,936,883) |
| Cash paid for income taxes | (167,933,920) | (213,540,943) | (149,312,719) | (193,675,811) |
| Income from operating activities before changes in operating assets and liabilities | 686,869,531 | 815,513,186 | 594,953,870 | 797,050,165 |
| (Increase) decrease in operating assets | | | | |
| Deposits at financial institutions | (106,988,099) | 28,672,470 | (40,606) | (1,525,668) |
| Securities purchased under resale agreements | 365,000,000 | (365,000,000) | 365,000,000 | (365,000,000) |
| Receivables from Clearing House | (377,938,892) | 2,060,751,651 | (377,938,892) | 2,060,751,651 |
| Securities and derivatives business receivables | (792,161,493) | (1,468,651,041) | (792,161,493) | (1,468,651,041) |
| Derivatives assets | 32,749,079 | (27,463,212) | 32,749,079 | (27,463,212) |
| Trading securities | (1,685,015,339) | 4,567,991,167 | (1,685,015,339) | 4,567,991,167 |
| Other assets | (30,607,583) | (7,267,206) | (13,775,377) | (15,759,425) |
| Increase (decrease) in operating liabilities | | | | |
| Borrowings from financial institutions | 600,000,000 | (2,549,000,000) | 600,000,000 | (2,549,000,000) |
| Securities sold under repurchase agreements | (35,000,000) | (1,959,384,829) | (35,000,000) | (1,959,384,829) |
| Payables to Clearing House | (307,042,599) | 307,042,599 | (307,042,598) | 307,042,599 |
| Securities and derivatives business payables | 1,243,388,039 | (459,424,625) | 1,243,388,039 | (459,424,625) |
| Accrued expenses | 48,703,156 | 139,119,083 | 36,746,462 | 134,014,049 |
| Derivatives liabilities | (67,035,296) | 138,734,193 | (67,035,296) | 138,734,193 |
| Debts issued and other borrowings | 660,072,596 | 2,995,905 | 660,072,596 | 2,995,905 |
| Payments on long-term employee benefits during the year | - | (4,147,500) | - | (4,147,500) |
| Other liabilities | 2,115,442 | 1,974,937 | 3,715,180 | 888,709 |
| Net cash from operating activities | 237,108,542 | 1,222,456,778 | 258,615,625 | 1,159,112,138 |

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2014

UNIT : BAHT

| | CONSOLIDATED | | SEPARATE | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | |
| | 2014 | 2013 | 2014 | 2013 |
| Cash flows from investing activities | | | | |
| Cash paid for available-for-sales investment | (164,815,000) | - | - | - |
| Cash paid for investment in a subsidiary | - | (121,566) | - | (121,566) |
| Dividends received on investment in securities | 97,405,723 | 79,176,448 | 97,405,723 | 79,176,448 |
| Dividends received from a subsidiary | - | - | 46,808,262 | 26,004,590 |
| Cash paid for purchases of equipment and intangible assets | (58,103,761) | (59,545,234) | (47,810,141) | (49,043,790) |
| Proceed from disposals of equipment | 1,135,090 | 364,759 | 1,129,951 | 331,617 |
| Proceed from disposals of property foreclosed | 10,020,000 | - | 10,020,000 | - |
| Net cash from investing activities | <u>(114,357,948)</u> | <u>19,874,407</u> | <u>107,553,795</u> | <u>56,347,299</u> |
| Cash flows from financing activities | | | | |
| Cash paid for subordinated loan from subsidiary | - | - | (162,500,000) | (100,000,000) |
| Dividends paid | (716,946,578) | (458,060,473) | (716,946,578) | (458,060,473) |
| Dividends paid to non-controlling interests | (441,738) | (245,410) | - | - |
| Net cash from financing activities | <u>(717,388,316)</u> | <u>(458,305,883)</u> | <u>(879,446,578)</u> | <u>(558,060,473)</u> |
| Changes in translation adjustments | <u>2,593,663</u> | <u>1,874,666</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(592,044,059)</u> | <u>785,899,968</u> | <u>(513,277,158)</u> | <u>657,398,964</u> |
| Cash and cash equivalents as at January 1, | <u>985,216,088</u> | <u>199,316,120</u> | <u>777,556,023</u> | <u>120,157,059</u> |
| Cash and cash equivalents as at December 31, | <u><u>393,172,029</u></u> | <u><u>985,216,088</u></u> | <u><u>264,278,865</u></u> | <u><u>777,556,023</u></u> |
| Supplemental cash flows information | | | | |
| Non-cash items consist of | | | | |
| Increase in fixed assets and provision for liabilities in relation to estimation of decommissioning costs | - | 12,122,266 | - | 9,465,766 |

Notes to the financial statements form an integral part of these statements

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

KGI Securities (Thailand) Public Company Limited (“the Company”) was incorporated as a public limited company under the Public Limited Companies Act and domiciled in Thailand. It has been operating securities businesses and licensed and approved by the Office of the Securities and Exchange Commission (“SEC”) to operate the following businesses;

- (a) Securities brokerage
- (b) Securities dealing
- (c) Investment advisory
- (d) Securities underwriting
- (e) Securities borrowing and lending
- (f) Securities registrar
- (g) Derivatives brokerage
- (h) Financial advisory
- (i) Over-the-Counter (OTC) derivative business and
- (j) Sales agent of mutual fund units in the areas as specified by the SEC.

In addition, the Company has investments in 3 subsidiaries, whose businesses are disclosed in Note 13 to the financial statements.

The Company's registered office is located at No. 173, the 8th-11th floors of Asia Centre Building, South Sathorn Road, Thungmahamek Sub-district, Sathorn District, Bangkok. As at December 31, 2014 and 2013, the Company has altogether 17 branches and 15 branches, respectively, in Bangkok and other provinces.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS AND BASIS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2012) “Presentation of Financial Statements”, and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544. The presentation of the financial statements has been made in compliance with requirement of the Notification No. Sor. Thor. Kor. Nor. 53/2553 dated December 15, 2010 of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding the summary of significant accounting policies.

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.

2.2 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of KGI Securities (Thailand) Public Company Limited (“the Company”) and the following subsidiaries:

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | | Assets as a percentage to the consolidated totals | | Revenues as a percentage to the consolidated totals | |
|---|------------------------|--------------------------|----------------------------|---------|---|---------|---|---------|
| | | | December 31, | | December 31, | | December 31, | |
| | | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | | | Percent | Percent | Percent | Percent | Percent | Percent |
| One Asset Management Limited | Mutual fund management | Thailand | 99 | 99 | 3.20 | 3.36 | 14.76 | 12.21 |
| KGI Securities (Thailand) International Holdings Limited (“HOLDCO”) | Holding company | Hong Kong | 100 | 100 | 0.84 | 1.24 | - | - |
| KGI (Thailand) Holdings Limited (“KTHL”) | Holding company | British Virgin Islands | 100 | 100 | 1.61 | 0.01 | 0.03 | - |

- (b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (c) The financial statements of the subsidiaries are prepared using the same accounting periods and significant accounting policies as the Company.
- (d) The assets and liabilities in the financial statements of overseas subsidiaries are translated into Baht using the exchange rate prevailing at the end of the reporting period, and revenues and expenses translated into Baht using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences arising from translation of the financial statements of foreign operations” within owners’ equity.
- (e) Material balances and transactions between the Company and its subsidiaries, have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within owners’ equity in the consolidated statement of financial position.

2.3 Separate financial statements

The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. NEW THAI FINANCIAL REPORTING STANDARDS

Below is a summary of new Thai Financial Reporting Standards that became effective in the current accounting year and those that will become effective in the future.

3.1 Adoption of new and revised Thai Financial Reporting Standards

Since January 1, 2014, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2014 onwards, in the preparation of interim financial statements as follows:

Thai Accounting Standard (TAS)

| | |
|-----------------------|--|
| TAS 1 (Revised 2012) | Presentation of Financial Statements |
| TAS 7 (Revised 2012) | Statement of Cash Flows |
| TAS 12 (Revised 2012) | Income Taxes |
| TAS 17 (Revised 2012) | Leases |
| TAS 18 (Revised 2012) | Revenue |
| TAS 19 (Revised 2012) | Employee Benefits |
| TAS 21 (Revised 2012) | The Effects of Changes in Foreign Exchange Rates |
| TAS 24 (Revised 2012) | Related Party Disclosures |
| TAS 28 (Revised 2012) | Investments in Associates |
| TAS 31 (Revised 2012) | Interests in Joint Ventures |
| TAS 34 (Revised 2012) | Interim Financial Reporting |
| TAS 36 (Revised 2012) | Impairment of Assets |
| TAS 38 (Revised 2012) | Intangible Assets |

The Financial Reporting Standard (TFRS)

| | |
|-----------------------|--|
| TFRS 2 (Revised 2012) | Share-based Payment |
| TFRS 3 (Revised 2012) | Business Combinations |
| TFRS 5 (Revised 2012) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 8 (Revised 2012) | Operating Segments |

Thai Accounting Standard Interpretation (TSI)

| | |
|--------|--|
| TSI 15 | Operating Leases - Incentives |
| TSI 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |
| TSI 29 | Disclosure - Service Concession Arrangements |
| TSI 32 | Intangible Assets - Web Site Costs |

Thai Financial Reporting Interpretations (TFRI)

| | |
|--------|--|
| TFRI 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRI 4 | Determining Whether an Arrangement Contains a Lease |
| TFRI 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |

Thai Financial Reporting Interpretations (TFRI) (CONTINUED)

| | |
|---------|--|
| TFRI 7 | Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies |
| TFRI 10 | Interim Financial Reporting and Impairment |
| TFRI 12 | Service Concession Arrangements |
| TFRI 13 | Customer Loyalty Programmes |
| TFRI 17 | Distributions of Non-cash Assets to Owners |
| TFRI 18 | Transfer of Assets From Customers |

Accounting Practices

Accounting Practices for recording share dividend account.

The Company and subsidiaries have adopted the above Financial Reporting Standards with no material impact on the Company and subsidiaries' financial statements.

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2014), which was announced in the Royal Gazette and effective from October 15, 2014 onwards to replace the Accounting Framework (Revised 2009). Such Conceptual Framework for Financial Reporting has no material impact on these financial statements.

3.2 New and revised Thai Financial Reporting Standards issued but not yet effective

TFRS which is effective for the financial statements for the periods beginning on or after January 1, 2015:

Thai Accounting Standards ("TAS")

| | |
|-----------------------|--|
| TAS 1 (Revised 2014) | Presentation of Financial Statements |
| TAS 2 (Revised 2014) | Inventories |
| TAS 7 (Revised 2014) | Statement of Cash Flows |
| TAS 8 (Revised 2014) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (Revised 2014) | Events after the Reporting Period |
| TAS 11 (Revised 2014) | Construction Contracts |
| TAS 12 (Revised 2014) | Income Taxes |
| TAS 16 (Revised 2014) | Property, Plant and Equipment |
| TAS 17 (Revised 2014) | Leases |
| TAS 18 (Revised 2014) | Revenue |
| TAS 19 (Revised 2014) | Employee Benefits |
| TAS 20 (Revised 2014) | Accounting for Government Grants and Disclosure of Government Assistance |
| TAS 21 (Revised 2014) | The Effects of Changes in Foreign Exchange Rate |
| TAS 23 (Revised 2014) | Borrowing Costs |
| TAS 24 (Revised 2014) | Related Party Disclosures |
| TAS 26 (Revised 2014) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (Revised 2014) | Separate Financial Statements |
| TAS 28 (Revised 2014) | Investments in Associates and Joint Ventures |
| TAS 29 (Revised 2014) | Financial Reporting in Hyperinflationary Economies |
| TAS 33 (Revised 2014) | Earnings per Share |
| TAS 34 (Revised 2014) | Interim Financial Reporting |
| TAS 36 (Revised 2014) | Impairment of Assets |
| TAS 37 (Revised 2014) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (Revised 2014) | Intangible assets |
| TAS 40 (Revised 2014) | Investment Property |

Thai Financial Reporting Standards (“TFRS”)

| | |
|-----------------------|--|
| TFRS 2 (Revised 2014) | Share - Based Payment |
| TFRS 3 (Revised 2014) | Business Combinations |
| TFRS 5 (Revised 2014) | Non-current Assets Held for Sale and Discontinued Operations |
| TFRS 6 (Revised 2014) | Exploration for and Evaluation of Mineral Assets |
| TFRS 8 (Revised 2014) | Operating Segments |
| TFRS 10 | Consolidated Financial Statements |
| TFRS 11 | Joint Arrangements |
| TFRS 12 | Disclosure of Interests in Other Entities |
| TFRS 13 | Fair Value Measurement |

Thai Accounting Standards Interpretations (“TSIC”)

| | |
|------------------------|--|
| TSIC 10 (Revised 2014) | Government Assistance - No Specific Relation to Operating Activities |
| TSIC 15 (Revised 2014) | Operating Leases - Incentives |
| TSIC 25 (Revised 2014) | Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders |
| TSIC 27 (Revised 2014) | Evaluating the Substance of Transactions in the Legal Form of a Lease |
| TSIC 29 (Revised 2014) | Disclosure - Service Concession Arrangements |
| TSIC 31 (Revised 2014) | Revenue - Barter Transactions Involving Advertising Services |
| TSIC 32 (Revised 2014) | Intangible Assets - Web Site Costs |

Thai Financial Reporting Standard Interpretations (“TFRIC”)

| | |
|-------------------------|--|
| TFRIC 1 (Revised 2014) | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| TFRIC 4 (Revised 2014) | Determining whether an Arrangement contains a Lease |
| TFRIC 5 (Revised 2014) | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| TFRIC 7 (Revised 2014) | Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies |
| TFRIC 10 (Revised 2014) | Interim Financial Reporting and Impairment |
| TFRIC 12 (Revised 2014) | Service Concession Arrangements |
| TFRIC 13 (Revised 2014) | Customer Loyalty Programmes |
| TFRIC 14 | TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TFRIC 15 (Revised 2014) | Agreements for the Construction of Real Estate |
| TFRIC 17 (Revised 2014) | Distributions of Non-cash Assets to Owners |
| TFRIC 18 (Revised 2014) | Transfers of Assets from Customers |
| TFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine |

TFRS which is effective for the financial statements for the periods beginning on or after January 1, 2016:

The Financial Reporting Standard (TFRS)

| | |
|--------|--------------------|
| TFRS 4 | Insurance contract |
|--------|--------------------|

The management of the Company and its subsidiaries anticipate that the above financial reporting standards relevant to the Company and its subsidiaries will be adopted in the Company’s financial statements when they become effective and the adoption of those standards will have no material impact on the financial statements of the Company and its subsidiaries in the first period of application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

(a) Brokerage fees

Brokerage fees from securities and derivatives businesses are recognised as revenues on the transaction dates.

(b) Fees and service income

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

Management fees and registrar fees are calculated as a percentage of net asset value of the funds managed by the subsidiary or fixed amount as mentioned in prospectus and recognised as revenues on an accrual basis.

(c) Gains (losses) on securities and derivatives

Gains (losses) on securities and derivatives are recognised as revenues or expenses on the transaction dates.

(d) Interest and dividends

Interest is recognised as revenues on an accrual basis based on the effective interest rate. Dividend is recognised as revenues when the right to receive the dividend is established.

(e) Interest on credit balance loans

Interest is recognised revenues over the term of the loans based on the amount of principal outstanding. No accrual has been made for certain loans, which are not qualified for recognition under Notification No. Kor. Thor. 5/2544 dated February 15, 2001 of the Office of the Securities and Exchange Commission, and other relevant factors.

Discounts or interest already included in the face value of notes receivable or loans are deferred and taken up as revenue evenly throughout the terms of the notes or loans.

4.2 Expense recognition

(a) Interest expenses

Interest is charged to expenses on an accrual basis.

(b) Fees and service expenses

Fees and service expenses are recognised as expenses on an accrual basis.

4.3 Recognition and elimination of customer deposits

Customers' deposits placed with the Company for securities trading in their of cash accounts and credit balance accounts, including those placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. However, at the end of the reporting period, the Company excludes the amounts from both assets and liabilities and presents only assets, which belong to the Company.

4.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank accounts maturing within 3 months, short-term investments in callable notes or promissory notes issued by financial institutions and those with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.5 Deposits at financial institutions

Deposits at financial institutions include fixed deposits, bills of exchange and promissory notes issued by financial institutions with an original maturity of longer than 3 months or with an original maturity of 3 months or less, but the Company and its subsidiaries intend to roll-over them, or deposits subject to withdrawal restrictions.

4.6 Securities purchased under resale agreements/securities sold under repurchase agreements

The Company enters into purchases of securities under resale agreements and sales of securities under repurchase agreements 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 purchases of those securities and the amounts received for securities sold under repurchase agreements are presented as liabilities in the statements of financial position. 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 or finance costs as the case maybe. Securities under those agreement are deemed collateral.

4.7 Receivable from Clearing House/payables to Clearing House

Receivables from Clearing House comprise the net balance receivable from Clearing House in respect of settlements of securities and derivatives trading businesses. These also include amounts placed with Clearing House as securities for derivatives trading transactions.

Payables to Clearing House comprise the net balance payable to Clearing House in respect of settlements of securities and derivatives trading businesses.

4.8 Securities borrowing and lending

The Company records its obligations to return borrowed securities which it has sold short or lent as “Securities borrowing payables” in the statement of financial position. At the end of the reporting period the balance of Securities borrowing payables, which securities has sold short is adjusted based on the latest offer price quoted on the Stock Exchange of Thailand. Gains or losses arising from such adjustment are included in profit or loss from operation.

Securities lent to customers are recorded as “Securities borrowing receivables” in the statement of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as “Guarantee deposit receivables” or “Guarantee deposit payables”.

Fees for borrowing are recognised as expenses while fees for lending are recognised as revenue on an accrual basis over the borrowing and lending terms.

4.9 Securities and derivatives business receivables/payables

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful accounts, and include related accrued interest receivables. In addition, securities business receivables include the net receivable balances of cash accounts, credit balance accounts, securities borrowings receivable and guarantee deposit receivables (which comprise cash placed as security with securities lenders or securities depositories) and other receivables such as overdue cash customer accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

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

4.10 Allowances for doubtful accounts

The Company has provided allowances for doubtful accounts on securities and derivatives business receivables based on a review of debtor's ability to make repayment, taking into consideration recovery risk and the value of the collateral. Such debt classifications and provisions are made in accordance with the guidelines laid down in the Notification No. Kor. Thor. 5/2544 dated February 15, 2001 of the Office of the Securities and Exchange Commission, and consideration of other relevant factors.

4.11 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 from operation.
- (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 transferred to be recognised in profit or loss from operation when the securities are sold.
- (c) Investments in held-to-maturity debt securities are recorded at amortised cost. The premium on discount on debt securities is amortised or accreted by the effective rate method with the amortised or accreted amount presented as an adjustment to the interest income.
- (d) Investments in non-marketable equity securities, which the Company classifies as general investments, are stated at cost net of allowance for impairment (if any).
- (e) Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of investment units is determined from their net asset values.

Loss on impairment of investments (if any) are included in profit or loss from operation.

Purchase and sales of investments are recorded on trade date.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss from operation. The weighted average method is used for computation of the cost of investments.

4.12 Premises and Equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by reference to their cost on a straight-line basis over the following estimated useful lives:

| | |
|-----------------------------------|---------------|
| Building and building improvement | 20 years |
| Furniture, fixtures and equipment | 3 and 5 years |
| Vehicles | 5 years |

No depreciation is provided for land and installation in progress.

Depreciation is included in profit or loss from operation.

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 from operation when the asset is derecognised.

4.13 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and allowance for impairment (if any).

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

Intangible assets have the estimated useful lives as follows:

| | <u>Useful lives</u> |
|--|---------------------|
| Deferred derivatives agent license fee | 5 years |
| Computer softwares | 5 and 7 years |

No amortisation is provided on computer software under development.

4.14 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of the cost of the business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired, exceeds the cost of business combination, such excess is immediately recognised as revenue in profit or loss from operation.

For subsequent measurement, goodwill is carried at cost less allowance for impairment. Goodwill is tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

4.15 Properties foreclosed

Properties foreclosed represent land received in settlement of securities business receivables from debtors, and are stated at the lower of cost or net realisable value. Loss on impairment is included in profit or loss from operation.

4.16 Impairment of assets

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

4.17 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.

4.18 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are recorded as liabilities, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in profit or loss from operation on a straight line basis over the lease term.

4.19 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 plan

The Company, its subsidiaries and the 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 plan

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 the defined benefit plan are recognised immediately in profit or loss from operation.

4.20 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in profit or loss from operation.

4.21 Income tax expenses

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

Current income taxes

Current income taxes are 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 income taxes

Deferred income taxes are 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 periods.

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 profits 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 profits will be available to allow all or part of the deferred tax assets to be utilised.

The Company and its subsidiaries record deferred income taxes directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

4.22 Derivatives

The Company enters into derivative transactions to meet the needs of customers and/or for trading purposes, and such derivatives can be divided into five categories. These are forward contracts, futures, options, derivative warrants and over-the-counter derivatives.

The Company initially records the obligations under derivative contracts as off-balance sheet items and recognises such contracts as assets or liabilities at fair value at the transaction date (trade date). The Company will subsequently measure them at fair value at the end of each reporting period whereby gains or losses as a result of changes in the fair value will be recognised in profit or loss from operation.

The fair values of each category of derivatives are determined as follows:

- (a) The fair value of forward contracts is calculated using the exchange rate at the end of the reporting period.
- (b) The fair value of locally traded forward contracts is based on the settlement prices quoted on the last working day of the reporting period by Thailand Futures Exchange Public Company Limited. The fair value of forward contracts traded on overseas exchanges is based on the daily settlement prices quoted by the applicable overseas exchanges.
- (c) The fair value of option contracts is determined based on the daily settlement price quoted by Thailand Futures Exchange Public Company Limited.
- (d) The fair value of derivative warrants is based on the latest offer price on the last working day of the period as quoted on the Stock Exchange of Thailand.
- (e) The fair value of over-the-counter derivatives is determined using a valuation technique and model. The inputs to this model are derived from observable market data, taking into consideration of dividend, interest rate, the underlying price and the volatility of the underlying item.

4.23 Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company's and its subsidiaries' operations, together with closed family members of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment 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.

5.2 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

5.3 Allowances for doubtful accounts on securities and derivative business receivables

Allowances for doubtful accounts on securities and derivative business receivables are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding receivables by taking into account collection risk and the value of the security used as collateral. However, the use of different estimates and assumptions could affect the amounts of allowances for doubtful accounts and adjustments to the allowances may therefore be required in the future.

5.4 Allowance for impairment on investments

The Company and its subsidiaries treat 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 judgment of the management.

5.5 Premises and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s buildings and equipment and to review estimated useful lives and residual values when circumstance changes.

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

5.6 Goodwill and intangible assets

The initial recognition and measurement of goodwill and other 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.

5.7 Deferred tax assets

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

5.8 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.9 Employee benefits

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

5.10 Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgment to assess of the results of the litigation cases and recorded provision for contingent liabilities as of the end of reporting period. In case where they believe that there will be no loss, they will not provide contingent liabilities as at the end of reporting period. However, actual results could differ from estimates.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2014 and 2013 are consist of following:

| | CONSOLIDATED FINANCIAL | | SEPARATE FINANCIAL | |
|--|------------------------|----------------------|----------------------|----------------------|
| | STATEMENTS | | STATEMENTS | |
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Cash on hand | 823 | 802 | 773 | 752 |
| Current accounts and savings deposits | 795,327 | 1,128,626 | 686,484 | 1,001,672 |
| Fixed deposits | 20,007 | 680,663 | 7 | 600,007 |
| Total cash and cash equivalents | 816,157 | 1,810,091 | 687,264 | 1,602,431 |
| <u>Less</u> Deposits held for customers* | (422,985) | (824,875) | (422,985) | (824,875) |
| Cash and cash equivalents - net | 393,172 | 985,216 | 264,279 | 777,556 |

* Deposit for customer's accounts are not required to present as assets and liabilities in the financial statements according to the announcement of the Office of the Securities and Exchange Commission.

7. DEPOSITS AT FINANCIAL INSTITUTIONS

Deposits at financial institutions over 3 months but less than 1 year as at December 31, 2014 and 2013 are consist of following:

| | CONSOLIDATED FINANCIAL | | SEPARATE FINANCIAL | |
|--|------------------------|----------------------|----------------------|----------------------|
| | STATEMENTS | | STATEMENTS | |
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Fixed deposits | 3,456,524 | 2,502,536 | 3,261,568 | 2,414,528 |
| Total | 3,456,524 | 2,502,536 | 3,261,568 | 2,414,528 |
| <u>Less</u> Deposits held for customers* | (3,260,000) | (2,413,000) | (3,260,000) | (2,413,000) |
| Deposits at financial institutions - net | 196,524 | 89,536 | 1,568 | 1,528 |

* Deposits held for customers are not required to present as assets and liabilities in the financial statements according to the announcement of the Office of the Securities and Exchange Commission.

8. RECEIVABLES FROM CLEARING HOUSE

Receivables from clearing house as at December 31, 2014 and 2013 are consist of following:

| | Unit: Thousand Baht | |
|---|-------------------------------|----------------------|
| | CONSOLIDATED AND | |
| | SEPARATE FINANCIAL STATEMENTS | |
| | December 31, 2014 | December 31, 2013 |
| Receivables from Clearing House | 835,395 | 552,859 |
| <u>Less</u> Receivables from Clearing House held for customers* | (94,680) | (181,707) |
| Receivables from Clearing House - net | <u>740,715</u> | <u>371,152</u> |

* Receivables from Clearing House for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

9. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES - NET

Securities and derivatives business receivables - net as at December 31, 2014 and 2013 are consist of following:

| | Unit: Thousand Baht | |
|--|-------------------------------|----------------------|
| | CONSOLIDATED AND | |
| | SEPARATE FINANCIAL STATEMENTS | |
| | December 31, 2014 | December 31, 2013 |
| <u>Securities business receivables</u> | | |
| Cash accounts | 1,853,618 | 1,795,010 |
| Credit balance accounts | 1,450,706 | 1,692,883 |
| Receivables under securities borrowing and lending business | | |
| - Guarantee deposit receivables | 1,520,589 | 601,862 |
| - Securities borrowing receivables | 69,876 | 25,213 |
| Other receivables | | |
| - Installment receivables | 432,494 | 434,895 |
| - Overdue customers' accounts | 1,607 | 1,900 |
| - Other securities business receivables | 6,587 | - |
| Total securities business receivables | <u>5,335,477</u> | <u>4,551,763</u> |
| <u>Add</u> Accrued interest receivables | 10,159 | 11,750 |
| <u>Less</u> Allowance for doubtful accounts | (459,938) | (458,466) |
| Securities business receivables and accrued interest receivables - net | <u>4,885,698</u> | <u>4,105,047</u> |
| Securities and derivatives business receivables - net | <u>4,885,698</u> | <u>4,105,047</u> |

9.1 Receivables on which recognition of income have been ceased

As at December 31, 2014 and 2013, the Company had other receivables with book values totaling Baht 421 million and Baht 430 million, respectively, on which recognition of income have been ceased. The Company had already provided allowance for doubtful accounts amounting to Baht 421 million and Baht 430 million, respectively.

9.2 Receivables classified by class

As at December 31, 2014 and 2013, the Company classified securities business receivables, including related accrued interest receivables, in accordance with the Notification of the Office of the Securities and Exchange Commission relating to accounting for non-performing debts of securities companies. The classification is as follows:

| Unit: Thousand Baht | | | |
|---|---------------|----------------------------------|---|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | |
| December 31, 2014 | | | |
| | Debt balances | Allowances for doubtful accounts | Debt balances net of allowances for doubtful accounts |
| Normal debts | 4,903,257 | - | 4,903,257 |
| Sub-standard debts | 29,261 | - | 29,261 |
| Doubtful debts | 413,118 | (413,118) | - |
| Total | 5,345,636 | (413,118) | 4,932,518 |
| Additional reserve for uncollectibles | - | (46,820) | (46,820) |
| Carrying values | 5,345,636 | (459,938) | 4,885,698 |

| Unit: Thousand Baht | | | |
|---|---------------|----------------------------------|---|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | |
| December 31, 2013 | | | |
| | Debt balances | Allowances for doubtful accounts | Debt balances net of allowances for doubtful accounts |
| Normal debts | 4,108,439 | - | 4,108,439 |
| Sub-standard debts | 29,434 | - | 29,434 |
| Doubtful debts | 425,640 | (425,640) | - |
| Total | 4,563,513 | (425,640) | 4,137,873 |
| Additional reserve for uncollectibles | - | (32,826) | (32,826) |
| Carrying values | 4,563,513 | (458,466) | 4,105,047 |

9.3 Guarantee deposit receivables

Securities business receivables include guarantee deposit receivables as at December 31, 2014 and 2013 are as follows.

| Unit: Thousand Baht | | |
|---|----------------------|----------------------|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | |
| | December 31, 2014 | December 31, 2013 |
| Guarantee deposit receivables | 1,520,589 | 601,862 |
| Fair value of borrowed securities | 1,254,312 | 477,983 |
| The value of remaining borrowed securities not yet sold under short-sale transaction or relent to others | 4,482 | - |

10. ALLOWANCES FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts as at December 31, 2014 and 2013 are as follows:

| Unit: Thousand Baht | | |
|--|----------------------|----------------------|
| CONSOLIDATED AND | | |
| SEPARATE FINANCIAL STATEMENTS | | |
| | December 31, 2014 | December 31, 2013 |
| Balances - beginning of the years | 458,466 | 456,563 |
| <u>Add</u> Allowances for doubtful accounts additional by set up | | |
| during the years | 13,997 | 12,167 |
| Bad debts written back | 1,413 | 3,600 |
| <u>Less</u> Reversal of allowances for doubtful accounts during | | |
| the years | (13,918) | (13,864) |
| Bad debts written off | (20) | - |
| Balances - end of the years | <u>459,938</u> | <u>458,466</u> |

11. DERIVATIVES ASSETS AND LIABILITIES

Derivatives assets and liabilities as at December 31, 2014 and 2013 are consist of following:

| Unit: Thousand Baht | | | | |
|--|---------------|------------------|----------------|------------------|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
| December 31, 2014 | | | | |
| | Assets | | Liabilities | |
| | Fair value | Notional amounts | Fair value | Notional amounts |
| Trading derivatives | | | | |
| Warrants | 7,515 | 58,433 | - | - |
| Derivatives warrants | - | - | 90,758 | 793,413 |
| Futures | - | 743,134 | - | 2,182,878 |
| Options | 1,585 | 57,165 | 1,624 | 29,385 |
| Over-the-Counter derivatives | 25,398 | 913,072 | 24,089 | 905,466 |
| Total | <u>34,498</u> | <u>1,771,804</u> | <u>116,471</u> | <u>3,911,142</u> |

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2013

| | Assets | | Liabilities | |
|------------------------------|---------------|------------------|----------------|------------------|
| | Fair value | Notional amounts | Fair value | Notional amounts |
| Trading derivatives | | | | |
| Warrants | 1,907 | 6,685 | - | - |
| Derivatives warrants | 14,045 | 142,244 | 144,883 | 3,698,041 |
| Futures | - | 502,615 | - | 984,787 |
| Options | 1,530 | 18,160 | 1 | 195 |
| Over-the-Counter derivatives | 17,328 | 1,402,999 | 19,525 | 1,708,390 |
| Total | 34,810 | 2,072,703 | 164,409 | 6,391,413 |

12. INVESTMENTS - NET

12.1 Investments - net as at December 31, 2014 and 2013 classified by investment purposes as follows:

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS

| | December 31, 2014 | | December 31, 2013 | |
|---|-------------------------------|------------|-------------------------------|------------|
| | Cost value/ Amortised cost | Fair value | Cost value/ Amortised cost | Fair value |
| Trading securities | | | | |
| Equity securities | | | | |
| Listed securities | 2,987,276 | 2,940,648 | 1,412,957 | 1,290,128 |
| Investments units | 2 | 7 | 10,495 | 10,238 |
| Total | 2,987,278 | 2,940,655 | 1,423,452 | 1,300,366 |
| Debt securities | | | | |
| Government debt securities | 530,716 | 530,476 | 486,933 | 484,799 |
| Corporate debt securities | 152,090 | 152,107 | 79,726 | 79,961 |
| Foreign debt securities | 5,043 | 5,053 | - | - |
| Total | 687,849 | 687,636 | 566,659 | 564,760 |
| Total trading securities | 3,675,127 | 3,628,291 | 1,990,111 | 1,865,126 |
| <u>Less</u> Allowance for revaluation | (46,836) | - | (124,985) | - |
| Trading securities - net | 3,628,291 | 3,628,291 | 1,865,126 | 1,865,126 |
| Available-for-sale securities | | | | |
| Equity securities | | | | |
| Foreign Investments units | 164,815 | 168,635 | - | - |
| Total available-for-sale securities | 164,815 | 168,635 | - | - |
| <u>Add</u> Allowance for revaluation | 3,820 | - | - | - |
| Available-for-sale securities - net | 168,635 | 168,635 | - | - |
| Held-to-maturity debt securities | | | | |
| Government bonds | 8,007 | | 8,021 | |
| Held-to-maturity debt securities | 8,007 | | 8,021 | |
| General investments | | | | |
| Ordinary shares | 27,603 | | 27,603 | |
| Foreign investment units | 2,210 | | 2,942 | |
| General investments | 29,813 | | 30,545 | |
| <u>Less</u> Allowance for impairment | (9,063) | | (9,795) | |
| General investments - net | 20,750 | | 20,750 | |
| Total investments - net | 3,825,683 | | 1,893,897 | |

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

| | December 31, 2014 | | December 31, 2013 | |
|---------------------------------------|-------------------------------|------------|-------------------------------|------------|
| | Cost value/ Amortised cost | Fair value | Cost value/ Amortised cost | Fair value |
| Trading securities | | | | |
| Equity securities | | | | |
| Listed securities | 2,987,276 | 2,940,648 | 1,412,957 | 1,290,128 |
| Investment units | 2 | 7 | 10,495 | 10,238 |
| Total | 2,987,278 | 2,940,655 | 1,423,452 | 1,300,366 |
| Debt securities | | | | |
| Government debt securities | 530,716 | 530,476 | 486,933 | 484,799 |
| Corporate debt securities | 152,090 | 152,107 | 79,726 | 79,961 |
| Foreign debt securities | 5,043 | 5,053 | - | - |
| Total | 687,849 | 687,636 | 566,659 | 564,760 |
| Total trading securities | 3,675,127 | 3,628,291 | 1,990,111 | 1,865,126 |
| <u>Less</u> Allowance for revaluation | (46,836) | - | (124,985) | - |
| Trading securities - net | 3,628,291 | 3,628,291 | 1,865,126 | 1,865,126 |
| General investments | | | | |
| Ordinary shares | 27,603 | | 27,603 | |
| <u>Less</u> Allowance for impairment | (6,853) | | (6,853) | |
| General investments – net | 20,750 | | 20,750 | |
| Total investments – net | 3,649,041 | | 1,885,876 | |

12.2 Investments subject to restrictions

As at December 31, 2014 and 2013, the Company and its subsidiaries have investments subject to restrictions of which the carrying value are as follows.

Unit: Thousand Baht

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Securities sold under repurchase agreements - trading securities | 131,543 | 133,904 | 131,543 | 133,904 |
| Securities that were lent by the securities borrowing and lending business - trading securities | - | 450 | - | 450 |
| Securities placed as collateral held-to-maturity debt securities ⁽¹⁾ | 8,007 | 8,021 | - | - |
| Total investments subject to restrictions | 139,550 | 142,375 | 131,543 | 134,354 |

⁽¹⁾ As at December 31, 2014 and 2013, investments in held-to-maturity debt securities of a local subsidiary, totaling Baht 8 million, were placed as security with the Ministry of Finance, in accordance with the agreements made with the Ministry of Finance and the Ministry of Industry, who hired the subsidiary as their fund manager. The funds as managed by the subsidiary, are being in the liquidation process, those securities will be free from encumbrance when the liquidation is completed.

12.3 Debt securities classified by remaining periods to maturity

As at December 31, 2014 and 2013, a subsidiary classifies investments in held-to-maturity debt securities by the remaining periods to maturity as follows:

| Unit: Thousand Baht | | | | |
|-----------------------------------|---------------|-------------|--------------|-------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | |
| December 31, 2014 | | | | |
| | Within 1 year | 1 - 5 years | Over 5 years | Total |
| Held-to-maturity debt securities | | | | |
| Government bonds | 8,007 | - | - | 8,007 |
| Total | 8,007 | - | - | 8,007 |

| Unit: Thousand Baht | | | | |
|-----------------------------------|---------------|-------------|--------------|-------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | |
| December 31, 2013 | | | | |
| | Within 1 year | 1 - 5 years | Over 5 years | Total |
| Held-to-maturity debt securities | | | | |
| Government bonds | - | 8,021 | - | 8,021 |
| Total | - | 8,021 | - | 8,021 |

13. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries - net as at December 31, 2014 and 2013, as presented in separate financial statements are as follows:

| Company's name | Business | Type of Relationship | Paid-up capital | | Shareholding percentage | | Cost | | Dividends received | |
|--|------------------------|----------------------|------------------|------------------|-------------------------|----------|--------------|--------------|---------------------|--------------|
| | | | 31 | 31 | 31 | 31 | 31 | 31 | For the years ended | |
| | | | December | December | December | December | December | December | December 31 | |
| | | | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | | | | | % | % | Million Baht | Million Baht | Million Baht | Million Baht |
| Subsidiaries included in consolidated financial statements | | | | | | | | | | |
| One Asset Management Limited | Mutual fund management | Shareholding | Baht 105 million | Baht 105 million | 99 | 99 | 244 | 244 | 47 | 26 |
| KGI Securities (Thailand) International Holdings Limited (incorporated in Hong Kong) | Holding | Shareholding | USD 39 million | USD 39 million | 100 | 100 | 1,549 | 1,549 | - | - |
| KGI (Thailand) Holdings Limited (incorporated in British Virgin Islands) | Holding | Shareholding | USD 20 million | USD 20 million | 100 | 100 | 834 | 834 | - | - |
| Total investments in subsidiaries | | | | | | | 2,627 | 2,627 | 47 | 26 |
| Less Allowance for impairment loss | | | | | | | (77) | (77) | - | - |
| Investments in subsidiaries - net | | | | | | | 2,550 | 2,550 | 47 | 26 |

The consolidated financial statements for the years ended December 31, 2014 and 2013 do not include the financial statements of Thai Thamrong Finance Company Limited, paid-up capital Baht 1,218 million, which the Company holds 53% of the common shares and Nithipat Finance Public Company Limited, paid-up capital Baht 1,080 million, which the Company holds 24% of the common shares because the subsidiary and associate were dissolution and are in the liquidation process.

During the year ended December 31, 2013, the Company acquired additional 6,682 ordinary shares of One Asset Management Limited from minority shareholders of that subsidiary.

14. PREMISES AND EQUIPMENT - NET

| Unit: Thousand Baht | | | | | |
|--------------------------------------|-------------------------------------|-----------|-----------|-------------------------------|---------------------------------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
| For the year ended December 31, 2014 | | | | | |
| | Balance as at January 1, 2014 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2014 |
| Cost | | | | | |
| Land | 1,820 | - | - | - | 1,820 |
| Building and building improvements | 9,824 | 140 | - | 7,361 | 17,325 |
| Equipment | 336,130 | 17,358 | (37,977) | 15,123 | 330,634 |
| Furniture and fixtures | 133,999 | 1,120 | (313) | 2,026 | 136,832 |
| Vehicles | 1,974 | - | - | - | 1,974 |
| Installation in progress | 14,782 | 12,899 | (484) | (24,865) | 2,332 |
| Total cost | 498,529 | 31,517 | (38,774) | (355) | 490,917 |
| Accumulated depreciation | | | | | |
| Building and building improvements | 5,360 | 2,198 | - | - | 7,558 |
| Equipment | 271,832 | 22,601 | (38,074) | - | 256,359 |
| Furniture and fixtures | 116,100 | 5,359 | (313) | - | 121,146 |
| Vehicles | 1,974 | - | - | - | 1,974 |
| Total accumulated depreciation | 395,266 | 30,158 | (38,387) | - | 387,037 |
| Premises and equipment - net | 103,263 | | | | 103,880 |

| Unit: Thousand Baht | | | | | |
|--------------------------------------|-------------------------------------|-----------|-----------|-------------------------------|---------------------------------------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | |
| For the year ended December 31, 2013 | | | | | |
| | Balance as at January 1, 2013 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2013 |
| Cost | | | | | |
| Land | 1,820 | - | - | - | 1,820 |
| Building and building improvements | 15,183 | 2,740 | (10,124) | 2,025 | 9,824 |
| Equipment | 316,512 | 18,936 | (15,960) | 16,642 | 336,130 |
| Furniture and fixtures | 113,956 | 10,430 | (688) | 10,301 | 133,999 |
| Vehicles | 2,768 | - | (794) | - | 1,974 |
| Installation in progress | 17,997 | 25,753 | - | (28,968) | 14,782 |
| Total cost | 468,236 | 57,859 | (27,566) | - | 498,529 |
| Accumulated depreciation | | | | | |
| Building and building improvements | 14,417 | 859 | (9,916) | - | 5,360 |
| Equipment | 249,671 | 38,037 | (15,876) | - | 271,832 |
| Furniture and fixtures | 93,744 | 22,996 | (640) | - | 116,100 |
| Vehicles | 2,768 | - | (794) | - | 1,974 |
| Total accumulated depreciation | 360,600 | 61,892 | (27,226) | - | 395,266 |
| Premises and equipment - net | 107,636 | | | | 103,263 |

Depreciation for the years ended December 31

| | | |
|------|---------------|--------|
| 2014 | Thousand Baht | 30,158 |
| 2013 | Thousand Baht | 61,892 |

| Unit: Thousand Baht | | | | | |
|--------------------------------------|-------------------------------------|-----------|-----------|-------------------------------|---------------------------------------|
| SEPARATE FINANCIAL STATEMENTS | | | | | |
| For the year ended December 31, 2014 | | | | | |
| | Balance as at January 1, 2014 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2014 |
| Cost | | | | | |
| Land | 1,820 | - | - | - | 1,820 |
| Building and building improvements | 3,280 | - | - | - | 3,280 |
| Equipment | 303,364 | 15,379 | (37,711) | 15,477 | 296,509 |
| Furniture and fixtures | 128,410 | 540 | (242) | 1,000 | 129,708 |
| Vehicles | 1,974 | - | - | - | 1,974 |
| Installation in progress | 8,743 | 10,551 | (485) | (16,477) | 2,332 |
| Total cost | 447,591 | 26,470 | (38,438) | - | 435,623 |
| Accumulated depreciation | | | | | |
| Building and building improvements | 3,233 | 47 | - | - | 3,280 |
| Equipment | 244,232 | 19,814 | (37,640) | - | 226,406 |
| Furniture and fixtures | 113,428 | 4,357 | (242) | - | 117,543 |
| Vehicles | 1,974 | - | - | - | 1,974 |
| Total accumulated depreciation | 362,867 | 24,218 | (37,882) | - | 349,203 |
| Premises and equipment - net | 84,724 | | | | 86,420 |

| Unit: Thousand Baht | | | | | |
|--------------------------------------|-------------------------------------|-----------|-----------|-------------------------------|---------------------------------------|
| SEPARATE FINANCIAL STATEMENTS | | | | | |
| For the year ended December 31, 2013 | | | | | |
| | Balance as at January 1, 2013 | Additions | Disposals | Transfer in (Transfer out) | Balance as at December 31, 2013 |
| Cost | | | | | |
| Land | 1,820 | - | - | - | 1,820 |
| Building and building improvements | 3,280 | - | - | - | 3,280 |
| Equipment | 283,975 | 15,632 | (12,885) | 16,642 | 303,364 |
| Furniture and fixtures | 111,138 | 10,314 | - | 6,958 | 128,410 |
| Vehicles | 2,768 | - | (794) | - | 1,974 |
| Installation in progress | 12,629 | 19,714 | - | (23,600) | 8,743 |
| Total cost | 415,610 | 45,660 | (13,679) | - | 447,591 |
| Accumulated depreciation | | | | | |
| Building and building improvements | 3,069 | 164 | - | - | 3,233 |
| Equipment | 223,335 | 33,698 | (12,801) | - | 244,232 |
| Furniture and fixtures | 91,199 | 22,229 | - | - | 113,428 |
| Vehicles | 2,768 | - | (794) | - | 1,974 |
| Total accumulated depreciation | 320,371 | 56,091 | (13,595) | - | 362,867 |
| Premises and equipment - net | 95,239 | | | | 84,724 |

Depreciation for the years ended December 31

| | | |
|------|---------------|--------|
| 2014 | Thousand Baht | 24,218 |
| 2013 | Thousand Baht | 56,091 |

As at December 31, 2014 and 2013, certain items of equipment, furniture and fixtures and vehicles of the Company and its subsidiaries have been fully depreciated but are still in use. The original costs (before deducting accumulated depreciation) of those assets amounted to approximately Baht 319 million and Baht 334 million, respectively (The Separate Financial Statement: Baht 290 million and Baht 310 million, respectively).

15. INTANGIBLE ASSETS - NET

Unit: Thousand Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | |
|--------------------------------------|---------------|-------------------------------|---------------------|---------------------------------|-------------------------------|----------|---------------------------------|--------|
| For the year ended December 31, 2014 | | | | | | | | |
| | Useful lives | Cost | | Accumulated amortization | | | Intangible assets - net | |
| | | Balance as at January 1, 2014 | Increase (decrease) | Balance as at December 31, 2014 | Balance as at January 1, 2014 | Increase | Balance as at December 31, 2014 | |
| Deferred derivatives | | | | | | | | |
| agent license fee | 5 years | 5,336 | - | 5,336 | 5,336 | - | 5,336 | - |
| Computer softwares | 5 and 7 years | 135,756 | 16,585 | 152,341 | 82,164 | 16,001 | 98,165 | 54,176 |
| Computer softwares under development | - | 6,001 | 9,208 | 15,209 | - | - | - | 15,209 |
| Total | | 147,093 | 25,793 | 172,886 | 87,500 | 16,001 | 103,501 | 69,385 |

Unit: Thousand Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | |
|--------------------------------------|---------------|-------------------------------|---------------------|---------------------------------|-------------------------------|----------|---------------------------------|--------|
| For the year ended December 31, 2013 | | | | | | | | |
| | Useful lives | Cost | | Accumulated amortisation | | | Intangible assets - net | |
| | | Balance as at January 1, 2013 | Increase (decrease) | Balance as at December 31, 2013 | Balance as at January 1, 2013 | Increase | Balance as at December 31, 2013 | |
| Deferred derivatives | | | | | | | | |
| agent license fee | 5 years | 5,336 | - | 5,336 | 5,336 | - | 5,336 | - |
| Computer softwares | 5 and 7 years | 112,379 | 23,377 | 135,756 | 68,602 | 13,562 | 82,164 | 53,592 |
| Computer softwares under development | - | 15,141 | (9,140) | 6,001 | - | - | - | 6,001 |
| Total | | 132,856 | 14,237 | 147,093 | 73,938 | 13,562 | 87,500 | 59,593 |

Unit : Thousand Baht

| SEPARATE FINANCIAL STATEMENTS | | | | | | | | |
|--------------------------------------|--------------|-------------------------------|---------------------|---------------------------------|-------------------------------|----------|---------------------------------|--------|
| For the year ended December 31, 2014 | | | | | | | | |
| | Useful lives | Cost | | Accumulated amortization | | | Intangible assets - net | |
| | | Balance as at January 1, 2014 | Increase (decrease) | Balance as at December 31, 2014 | Balance as at January 1, 2014 | Increase | Balance as at December 31, 2014 | |
| Deferred derivatives | | | | | | | | |
| agent license fee | 5 years | 5,336 | - | 5,336 | 5,336 | - | 5,336 | - |
| Computer softwares | 5 years | 99,817 | 10,525 | 110,342 | 65,072 | 11,283 | 76,355 | 33,987 |
| Computer softwares under development | - | 6,001 | 8,422 | 14,423 | - | - | - | 14,423 |
| Total | | 111,154 | 18,947 | 130,101 | 70,408 | 11,283 | 81,691 | 48,410 |

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2013

| | Useful lives | Cost | | Accumulated amortization | | | Intangible assets - net |
|--------------------------------------|--------------|-------------------------------|---------------------|---------------------------------|-------------------------------|----------|---------------------------------|
| | | Balance as at January 1, 2013 | Increase (decrease) | Balance as at December 31, 2013 | Balance as at January 1, 2013 | Increase | Balance as at December 31, 2013 |
| Deferred derivatives | | | | | | | |
| agent license fee | 5 years | 5,336 | - | 5,336 | 5,336 | - | 5,336 |
| Computer softwares | 5 years | 77,398 | 22,419 | 99,817 | 55,670 | 9,402 | 65,072 |
| Computer softwares under development | - | 15,141 | (9,140) | 6,001 | - | - | - |
| Total | | 97,875 | 13,279 | 111,154 | 61,006 | 9,402 | 70,408 |

As at December 31, 2014 and 2013, certain items of computer software of the Company and its subsidiaries have been fully amortised but are still in use. The original costs (before deducting accumulated amortization) of those assets amounted to approximately Baht 62 million and Baht 55 million, respectively (The Separate Financial Statement: Baht 53 million and Baht 46 million, respectively).

16. PROPERTIES FORECLOSED - NET

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
December 31, 2014 December 31, 2013

| | | |
|--------------------------------------|----------------|----------------|
| Cost | 48,861 | 56,495 |
| <u>Less</u> Allowance for impairment | <u>(4,022)</u> | <u>(4,682)</u> |
| Properties foreclosed - net | <u>44,839</u> | <u>51,813</u> |

Properties foreclosed represent land acquired in settlement of the debts of the Company's debtors. They are stated at cost net of allowance for impairment. In consideration of impairment, appraisal value is used as reference and is discounted with appropriate rate.

17. DEFERRED TAX ASSETS/LIABILITIES

As of December 31, 2014 and 2013, deferred tax assets/liabilities arose as a result of the following transactions:

| | CONSOLIDATED FINANCIAL STATEMENTS | | Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS | |
|---|--------------------------------------|----------------------|---|----------------------|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Deferred tax assets | | | | |
| Accumulated amortisation on intangible assets | 558 | 346 | - | - |
| Provision for long-term employee benefits | 910 | 630 | - | - |
| Provision for liabilities | 100 | - | - | - |
| Total deferred tax assets | <u>1,568</u> | <u>976</u> | <u>-</u> | <u>-</u> |
| Deferred tax liabilities | | | | |
| Revaluation allowance on derivative | 27,527 | 32,392 | 27,527 | 32,392 |
| Revaluation allowance on investments | 12,595 | 7,289 | 12,595 | 7,289 |
| Accumulated depreciation on premise and equipment | 631 | - | 631 | - |
| Accumulated amortisation on intangible assets | (3,527) | (2,681) | (3,527) | (2,681) |
| Provision for long-term employee benefits | (8,437) | (7,574) | (8,437) | (7,574) |
| Provision for liabilities | (3,047) | (1,366) | (3,047) | (1,366) |
| Total deferred tax liabilities | <u>25,742</u> | <u>28,060</u> | <u>25,742</u> | <u>28,060</u> |

As at December 31, 2014 and 2013, there are temporary differences regarding to investments in subsidiaries and associates for which deferred tax assets have not been recognized since there remains uncertainty and the Company is not able to estimate the time frame within which it would be able to utilise them in the future.

18. OTHER ASSETS

| | CONSOLIDATED FINANCIAL STATEMENTS | | Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS | |
|---|--------------------------------------|----------------------|---|----------------------|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Payments of compensation fund for clearing and settlement | 47,564 | 40,757 | 47,564 | 40,757 |
| Asset for protecting the clearing system | 30,082 | 23,819 | 30,082 | 23,819 |
| Deposits | 33,467 | 31,004 | 28,979 | 28,295 |
| Fees and service income receivables | 46,545 | 32,746 | 5,536 | 5,106 |
| Accrued interest income | 26,953 | 30,154 | 25,790 | 28,158 |
| Prepaid expenses | 12,052 | 11,412 | 6,103 | 6,438 |
| Others | 3,106 | 1,828 | 1,824 | 1,256 |
| Total other assets | <u>199,769</u> | <u>171,720</u> | <u>145,878</u> | <u>133,829</u> |

19. BORROWINGS FROM FINANCIAL INSTITUTIONS/DEBTS ISSUED AND OTHER BORROWINGS

Borrowings from financial institutions, debts issued and other borrowings as at December 31, 2014 and 2013, were all domestic borrowings in Baht currency, which were classified as follows.

| Unit: Thousand Baht | | | | |
|--|-----------------------------------|-------------------------------|---------------|---------|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
| December 31, 2014 | | | | |
| | Interest rate per annum (percent) | Remaining periods to maturity | | Total |
| | | At call | Within 1 year | |
| Borrowings from financial institutions | | | | |
| Promissory notes | 2.08 | 400,000 | 200,000 | 600,000 |
| Total | | 400,000 | 200,000 | 600,000 |

| Unit: Thousand Baht | | | | |
|--|-----------------------------------|-------------------------------|---------------|---------|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
| December 31, 2014 | | | | |
| | Interest rate per annum (percent) | Remaining periods to maturity | | Total |
| | | At call | Within 1 year | |
| Debts issued and other borrowings | | | | |
| Bills of exchange | 2.73 | - | 644,140 | 644,140 |
| Structured notes | 2.08 | - | 13,053 | 13,053 |
| Total | | - | 657,193 | 657,193 |

| Unit: Thousand Baht | | | | |
|--|-----------------------------------|-------------------------------|---------------|-------|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
| December 31, 2013 | | | | |
| | Interest rate per annum (percent) | Remaining periods to maturity | | Total |
| | | At call | Within 1 year | |
| Debts issued and other borrowings | | | | |
| Structured notes | 3.47 | - | 2,996 | 2,996 |
| Total | | - | 2,996 | 2,996 |

20. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as at December 31, 2014 and 2013, consisted of the following:

| Unit: Thousand Baht | | |
|--|-------------------|-------------------|
| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | |
| | December 31, 2014 | December 31, 2013 |
| Government bonds | 130,000 | 165,000 |

21. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2014 and 2013 are consist of following:

| | Unit: Thousand Baht | |
|--|-------------------------------|----------------------|
| | CONSOLIDATED AND | |
| | SEPARATE FINANCIAL STATEMENTS | |
| | December 31, 2014 | December 31, 2013 |
| Payables under cash accounts | | |
| - Equity securities | 1,286,536 | 987,525 |
| - Debt securities and derivatives | 583,865 | 135,361 |
| Payables under securities borrowing and lending business | | |
| - Securities borrowing payables | 1,281,808 | 826,990 |
| - Guarantee deposit payables | 83,810 | 27,071 |
| Total securities and derivatives business payables | <u>3,236,019</u> | <u>1,976,947</u> |

22. SUBORDINATED LOANS FROM SUBSIDIARIES

As at December 31, 2014 and 2013, the Company has the following subordinated loans, which are unsecured, non-interest bearing and in Baht currency, obtained from its two overseas subsidiaries.

- As at December 31, 2014 and 2013, subordinated loan amounted to Baht 1,500 million, which is due for repayment on September 21, 2017.
- As at December 31, 2014 and 2013, subordinated loan amounted to Baht 436.5 million and Baht 599 million, which was due for repayment on 31 August 2015. However, during 2014, the Company and the subsidiary agreed to extend the repayment date to be on August 31, 2016.

23. PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS

Provisions for long-term employee benefits are the defined benefit obligation in relation to retirement compensations, the movements of which are as follows:

| | CONSOLIDATED | | Unit: Thousand Baht | |
|---|----------------------|----------------------|----------------------|----------------------|
| | FINANCIAL STATEMENTS | | SEPARATE | |
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Defined benefit obligation at beginning of the years | 41,021 | 44,336 | 37,870 | 42,172 |
| Current service costs | 8,753 | 7,732 | 7,533 | 6,869 |
| Interest costs | 1,988 | 1,765 | 1,809 | 1,641 |
| Actuarial gains | - | (8,665) | - | (8,665) |
| Benefits paid during the years | (5,025) | (4,147) | (5,025) | (4,147) |
| Defined benefit obligation at end of the years | <u>46,737</u> | <u>41,021</u> | <u>42,187</u> | <u>37,870</u> |

Long-term employee benefit expenses, included in the profit or loss from operation, were as follows:

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---|--|-------------|---|--------------|
| | For the years ended December 31, | | For the years ended December 31, | |
| | 2014 | 2013 | 2014 | 2013 |
| Current service costs | 8,753 | 7,732 | 7,533 | 6,869 |
| Interest costs | 1,988 | 1,765 | 1,809 | 1,641 |
| Actuarial gains | - | (8,665) | - | (8,665) |
| Total expense recognised in profit or loss | 10,741 | 832 | 9,342 | (155) |

Principal actuarial assumptions at the valuation dates were as follows:

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---------------------------------|--|---------------|--|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| | (% per annum) | | (% per annum) | |
| Future salary incremental rates | 3.50 - 6.50 | 3.50 - 6.50 | 3.50 - 5.34 | 3.50 - 5.34 |
| Turnover rates | 17.20 - 17.90 | 17.20 - 17.90 | 17.90 | 17.90 |
| Discount rates | 4.09 - 4.11 | 4.09 - 4.11 | 4.09 | 4.09 |

Amounts of the defined benefit obligation and experience adjustments on the obligation at the end of current year and prior years are as follows:

| | Unit: Thousand Baht | | | |
|-------------------|------------------------------------|-----------------------------|--|-----------------------------|
| | Defined benefit obligations | | Experience adjustments on the obligations | |
| | Consolidated | Separate | Consolidated | Separate |
| | financial statements | financial statements | financial statements | financial statements |
| December 31, 2014 | 46,737 | 42,187 | - | - |
| December 31, 2013 | 41,021 | 37,870 | (4,336) | (4,336) |
| December 31, 2012 | 44,336 | 42,172 | (3,439) | - |
| December 31, 2011 | 45,145 | 39,185 | - | - |
| December 31, 2010 | 35,554 | 31,037 | - | - |

24. ESOP WARRANTS

The Company's Board of Directors' meeting held on February 24, 2006 approved the issuance up to 99,236,870 warrants to the Company's directors and employees free of charge. The exercise ratio is to be 1 warrant per 1 ordinary share and the warrants are to be exercisable every 6 months, with a term of no more than 4 years from the first offering date. The ESOP Committee was granted authority to determine the exercise date and exercise price, which is not to be below the par value of the shares.

However, the Company's Board of Directors' meeting held on April 20, 2006 approved the postponement of the issuance of the ESOP warrants in order to review the allocation of warrants, because there had been changes to the Board of Directors. Any issuance of the warrants is subjected to approval by a meeting of the shareholders.

As at December 31, 2014 and 2013, the Company had not yet issued the above ESOP warrants.

25. CAPITAL MANAGEMENT

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

26. STATUTORY RESERVE

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

27. BROKERAGE FEES

Brokerage fees income for the years ended December 31, 2014 and 2013 are as follows:

| | CONSOLIDATED | | Unit: Thousand Baht | |
|--|-----------------------------|------------------|----------------------------|------------------|
| | FINANCIAL STATEMENTS | | SEPARATE | |
| | For the years ended | | For the years ended | |
| | December 31, | | December 31, | |
| | 2014 | 2013 | 2014 | 2013 |
| Brokerage fees from securities business | 951,519 | 1,092,533 | 951,519 | 1,092,533 |
| Brokerage fees from derivatives business | 93,469 | 124,129 | 93,469 | 124,129 |
| Other brokerage fees | 39,150 | 24,576 | 40,529 | 27,360 |
| Total brokerage fees | <u>1,084,138</u> | <u>1,241,238</u> | <u>1,085,517</u> | <u>1,244,022</u> |

28. FEES AND SERVICE INCOME

Fees and service income for the years ended December 31, 2014 and 2013 are as follows:

| | CONSOLIDATED | | Unit: Thousand Baht | |
|----------------------------------|-----------------------------|----------------|----------------------------|----------------|
| | FINANCIAL STATEMENTS | | SEPARATE | |
| | For the years ended | | For the years ended | |
| | December 31, | | December 31, | |
| | 2014 | 2013 | 2014 | 2013 |
| Mutual fund management | 262,766 | 252,607 | - | - |
| Private fund management | 66,204 | 41,603 | - | - |
| Provident fund management | 3,112 | 2,975 | - | - |
| Registrar and custodian | 33,955 | 21,992 | 55 | 53 |
| Securities borrowing and lending | 5,821 | 3,940 | 5,821 | 3,940 |
| Underwriting | 872 | 89,074 | 872 | 89,074 |
| Financial advisory | 7,615 | 7,160 | 7,615 | 7,160 |
| Placement agent | 7,695 | 9,471 | 7,695 | 9,471 |
| Others | 18,064 | 13,218 | 16,054 | 3,507 |
| Total fees and service income | <u>406,104</u> | <u>442,040</u> | <u>38,112</u> | <u>113,205</u> |

29. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits (exclusive of salaries, bonus, and related benefits payable to executive directors) paid to directors of the Company and its subsidiaries in accordance with section 90 of the Public Company Limited Companies Act.

30. MANAGEMENT'S REMUNERATION

Benefits payable to management of the Company and its subsidiaries both monetary and non-monetary, which were presented as part of "Personnel expenses", were as follows:

Management's remuneration for the years ended December 31, 2014 and 2013 were as follows:

| | CONSOLIDATED | | Unit: Thousand Baht | |
|------------------------------|-----------------------------|----------------|----------------------------|----------------|
| | FINANCIAL STATEMENTS | | SEPARATE | |
| | For the years ended | | For the years ended | |
| | December 31, | | December 31, | |
| | 2014 | 2013 | 2014 | 2013 |
| Short-term employee benefits | 217,814 | 213,011 | 177,640 | 182,206 |
| Long-term employee benefits | | | | |
| - Post-employment benefits | 7,926 | 7,177 | 5,508 | 5,442 |
| Actuarial gains | - | (7,738) | - | (7,738) |
| Total | <u>225,740</u> | <u>212,450</u> | <u>183,148</u> | <u>179,910</u> |

31. PROVIDENT FUND

The Company, its local subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and the subsidiary company contributed to the fund monthly at the same rate of 3 to 6 percent of basic salary. The funds of the Company and its subsidiary are managed by One Asset Management Limited and Krungsri Asset Management Company Limited, respectively. The funds will be paid to employees upon termination in accordance with the rules of the fund. During the years ended December 31, 2014 and 2013, Baht 18.8 million and Baht 17.8 million, respectively, were contributed to the fund by the Company and its subsidiary. (The Separate Financial Statement: Baht 13.7 million and Baht 13.9 million, respectively).

32. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profits for the years attributable to equity holders of the parent (excluding other comprehensive income/loss) by the weighted average number of ordinary shares in issue during the years.

Earnings per share for the years ended December 31, 2014 and 2013 were as follows:

| | CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, | | SEPARATE FINANCIAL STATEMENTS For the years ended December 31, | |
|--|---|---------------|---|---------------|
| | 2014 | 2013 | 2014 | 2013 |
| Profits for the years (Thousand Baht) | 761,336 | 783,197 | 733,176 | 723,178 |
| Weighted average number of ordinary shares (shares) | 1,991,763,130 | 1,991,763,130 | 1,991,763,130 | 1,991,763,130 |
| Earnings per share (Baht/share) | 0.38 | 0.39 | 0.37 | 0.36 |

33. INCOME TAX EXPENSES

Income tax expenses for the years ended December 31, 2014 and 2013 consisted of:

| | CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, | | Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS For the years ended December 31, | |
|--|---|---------|--|---------|
| | 2014 | 2013 | 2014 | 2013 |
| Current income taxes: | | | | |
| Current income tax charge | 197,597 | 192,946 | 174,964 | 174,732 |
| Adjustments in respect of current income taxes of previous year | 6,015 | 5,279 | 6,026 | 4,751 |
| Deferred income taxes: | | | | |
| Relating to origination and reversal of temporary differences | (2,909) | 23,792 | (2,317) | 24,179 |
| Income tax expense reported in profit or loss from operation | 200,703 | 222,017 | 178,673 | 203,662 |

Reconciliation between income tax expenses and the product of accounting profits for the years ended December 31, 2014 and 2013 and applicable tax rates can be shown as follows:

| | CONSOLIDATED | | Unit: Thousand Baht | |
|--|-----------------------------|-------------|----------------------------|-------------|
| | FINANCIAL STATEMENTS | | SEPARATE | |
| | For the years ended | | For the years ended | |
| | December 31, | | December 31, | |
| | 2014 | 2013 | 2014 | 2013 |
| Accounting profit before tax expenses | 962,853 | 1,005,892 | 911,849 | 926,839 |
| Applicable tax rates ⁽¹⁾ | 20% | 20% | 20% | 20% |
| Accounting profits before income tax expenses multiplied by applicable tax rates | 194,947 | 213,614 | 182,370 | 185,368 |
| Adjustments in respect of income taxes of previous year | 6,015 | 5,279 | 6,026 | 4,751 |
| Tax effects of: | | | | |
| Tax exempted revenue | (538) | (400) | (9,900) | (5,601) |
| Reversal of prior year's accruals of bonus and directors' remuneration | (6,683) | (583) | (6,683) | (123) |
| Non tax-deductible expenses | 6,962 | 4,107 | 6,860 | 19,267 |
| Income tax expense reported in profit or loss from operation | 200,703 | 222,017 | 178,673 | 203,662 |

⁽¹⁾ The overseas subsidiaries are not liable for pay corporate income tax.

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rates were reduced from 30% to 23% of net income for an accounting period beginning on or after January 1, 2012 and 20% of net income for two consecutive accounting period beginning on or after January 1, 2013 and according to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rates were reduced from 30% to 20% of net income for an accounting period beginning on or after January 1, 2015, up to December 31, 2015.

Therefore, the Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2014 and 2013, respectively.

34. RELATED PARTY TRANSACTIONS

34.1 Type of relationship

The relationship between the Company and its related parties, which have business transactions with the Company and its subsidiaries, are summarised below.

| Company's name and related person | Relationship |
|--|---|
| One Asset Management Limited | The Company's subsidiary, which is 99% held by the Company |
| KGI Securities (Thailand) International Holdings Limited | The Company's subsidiary, which is 100% held by the Company |
| KGI (Thailand) Holdings Limited | The Company's subsidiary, which is 100% held by the Company |
| KGI Asia Limited | KGI Group is a major shareholder of KGI Asia Limited and of the Company |
| KGI Securities Company Limited | It is a major shareholder of the Company through Richpoint Company Limited |
| KGI Securities (Hong Kong) Limited | KGI Group is a major shareholder of KGI Securities (Hong Kong) Limited and of the Company |
| KGI Finance Limited | KGI Group is a major shareholder of KGI Finance Limited and of the Company |
| KGI Hong Kong Limited | KGI Group is a major shareholder of KGI Hong Kong Limited and of the Company |
| KGI Futures (Hong Kong) Limited | KGI Group is a major shareholder of KGI Futures (Hong Kong) Limited and of the Company |
| KGI Capital (Singapore) Pte. Limited | KGI Group is a major shareholder of KGI Capital (Singapore) Pte. Limited and of the Company |
| KGI Ong Capital Pte. Limited | KGI Group is a major shareholder of KGI Ong Capital Pte. Limited and of the Company |
| Richpoint Company Limited | It is owned by KGI Group and it is one of major shareholders of the Company |
| Related persons | The family of the related person is a major shareholder of KGI Securities Company Limited |

34.2 Significant business transactions with its related parties

During the years ended December 31, 2014 and 2013, the Company and its subsidiaries had significant business transactions with its related parties. Those transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related parties.

| | | | | | Unit: Thousand Baht |
|---|----------------------|-------|----------------------|--------|--|
| | CONSOLIDATED | | SEPARATE | | |
| | FINANCIAL STATEMENTS | | FINANCIAL STATEMENTS | | |
| | For the years ended | | For the years ended | | |
| | December 31, | | December 31, | | |
| | 2014 | 2013 | 2014 | 2013 | Pricing Policies |
| <u>Transactions with subsidiaries</u> | | | | | |
| (Eliminated from the consolidated financial statements) | | | | | |
| <u>Fees and service income</u> | | | | | |
| One Asset Management Limited | - | - | 4,229 | 6,009 | Fees at the rate as a percentage of net asset value of fund servicing or as specified in the contracts |
| <u>Dividend income</u> | | | | | |
| One Asset Management Limited | - | - | 46,808 | 26,004 | Dividend as declared by a subsidiary |
| <u>Transactions with related parties</u> | | | | | |
| <u>Brokerage fee income</u> | | | | | At the same rate charged to general |
| KGI Securities Company Limited | 1,356 | 852 | 1,356 | 852 | Customer, in accordance with criteria |
| KGI Securities (Hong Kong) Limited | 1,121 | 389 | 1,121 | 389 | of the Stock Exchange of Thailand and |
| KGI Asia Limited | 2,301 | 162 | 2,301 | 162 | the Office of the Security and Exchange Commission |
| <u>Custodian fee income</u> | | | | | Baht 15 of every Baht 1 million |
| Richpoint Company Limited | 55 | 53 | 55 | 53 | securities outstanding value each day |
| <u>Service fee for developing computer system</u> | | | | | At the rate mutually determined based on cost plus margin of 4% |
| KGI Securities Company Limited | - | 3,181 | - | 3,181 | |
| <u>Commission fee expenses</u> | | | | | Mutually agreed-upon fee |
| KGI Futures (Hong Kong) Limited | 3 | 46 | 3 | 46 | |
| KGI Capital (Singapore) Pte. Limited | 47 | - | 47 | - | |
| KGI Ong Capital Pte. Limited | 52 | - | 52 | - | |
| <u>Transactions of subsidiaries with related parties</u> | | | | | |
| <u>Management fee expenses</u> | | | | | Negotiated rate base on prevailing market Rates |
| KGI Hong Kong Limited | 613 | 582 | - | - | |
| <u>Transactions with management and directors</u> | | | | | |
| <u>Brokerage fee income</u> | | | | | At the same rate charged to general |
| KGI Securities (Thailand) Plc. | 798 | 690 | 798 | 690 | customer, in accordance with criteria of the Stock Exchange of Thailand and the Office of the Security and Exchange Commission |
| <u>Co-management fee expense</u> | | | | | Negotiated rate base on prevailing market Rates |
| KGI Securities (Thailand) Plc. | 831 | - | 831 | - | |
| <u>Transactions with related person</u> | | | | | |
| <u>Advisory fee expense</u> | | | | | Negotiated rate base on prevailing market Rates |
| A related person | 1,800 | 1,800 | 1,800 | 1,800 | |

34.3 Outstanding balances

As at December 31, 2014 and 2013, the outstanding balances with their related parties are as follows:

| | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | December 31, 2014 | December 31, 2013 | December 31, 2014 | December 31, 2013 |
| Unit: Thousand Baht | | | | |
| <u>Securities and derivatives business receivables</u> | | | | |
| <i>Related company</i> | | | | |
| KGI Securities Company Limited | - | 38,689 | - | 38,689 |
| <u>Accrued service fees (presented as a part of "Other assets")</u> | | | | |
| <i>Subsidiary</i> | | | | |
| (Eliminated from the consolidated financial statements) | | | | |
| One Asset Management Limited | - | - | 727 | 828 |
| <i>Related company</i> | | | | |
| Richpoint Company Limited | 15 | 13 | 15 | 13 |
| <u>Guarantee deposit receivables - derivative business</u> | | | | |
| (presented as a part of "Receivables from Clearing House") | | | | |
| <i>Related company</i> | | | | |
| KGI Future (Hong Kong) Limited | 4,154 | 12,120 | 4,154 | 12,120 |
| KGI Ong Capital Pte. Limited | 7,756 | - | 7,756 | - |
| <u>Capital expenditure for developing computer system</u> | | | | |
| (presented as a part of "Premises and equipment") | | | | |
| KGI Securities Company Limited | 8,987 | - | 8,987 | - |
| <u>Advance to related companies of subsidiaries</u> | | | | |
| (presented as a part of "Other assets") | | | | |
| KGI Asia Limited | 745 | - | - | - |
| <u>Advances received (presented as a part of "Other liabilities")</u> | | | | |
| <i>Subsidiary</i> | | | | |
| (Eliminated from the consolidated financial statements) | | | | |
| KGI Securities (Thailand) International Holdings Limited | - | - | 1,229 | 1,223 |
| <i>Related company</i> | | | | |
| KGI Securities Company Limited | 3,400 | 901 | 3,400 | 901 |
| <u>Other payables and advance received from related companies of subsidiaries (presented as a part of "Other liabilities")</u> | | | | |
| <i>Related companies</i> | | | | |
| KGI Hong Kong Limited | 567 | 192 | - | - |
| KGI Asia Limited | - | 1,969 | - | - |
| <u>Subordinated loans from subsidiaries</u> | | | | |
| <i>Subsidiaries</i> | | | | |
| (Eliminated from the consolidated financial statements) | | | | |
| KGI Securities (Thailand) International Holdings Limited | - | - | 1,500,000 | 1,500,000 |
| KGI (Thailand) Holdings Limited | - | - | 436,500 | 599,000 |

35. DIVIDENDS

The Company

During the years ended December 31, 2014 and 2013, the Annual General Meeting (“AGM”) of the Company’s shareholders resolved to approve the payments of dividends as follows:

| Dividends | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) |
|---|--|---------------------------------------|---------------------------------|
| Annual dividend for the year 2013 | Annual General Meeting of the Company’s shareholders on April 8, 2014 | 716,947 | 0.36 |
| Total for the year ended December 31, 2014 | | <u>716,947</u> | <u>0.36</u> |
| Annual dividend for the year 2012 | Annual General Meeting of the Company’s shareholders on April 11, 2013 | 458,061 | 0.23 |
| Total for the year ended December 31, 2013 | | <u>458,061</u> | <u>0.23</u> |

Domestic subsidiary

During the years ended December 31, 2014 and 2013, the Annual General Meeting (“AGM”) of a subsidiary’s shareholders resolved to approve the payments of dividends as follows:

| Dividends | Approved by | Total dividends (Thousand Baht) | Dividend per share (Baht) |
|---|---|---------------------------------------|---------------------------------|
| Annual dividend for the year 2013 | Annual General Meeting of the subsidiary’s shareholders on April 25, 2014 | 47,250 | 4.50 |
| Total for the year ended December 31, 2014 | | <u>47,250</u> | <u>4.50</u> |
| Annual dividend for the year 2012 | Annual General Meeting of the subsidiary’s shareholders on March 15, 2013 | 26,500 | 2.50 |
| Total for the year ended December 31, 2013 | | <u>26,500</u> | <u>2.50</u> |

36. 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.

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

The following tables present revenues and profits from operation by operating segment of the Company for the years ended December 31, 2014 and 2013.

| Unit: Million Baht | | | | | | | | | |
|------------------------------------|-------------------|-------|-----------------|------|-----------------|------|------------------|------|---------------------|
| For the years ended December 31, | | | | | | | | | |
| | Securities | | Investment | | Security | | Asset management | | Consolidated |
| | brokerage segment | | banking segment | | trading segment | | segment | | financial statement |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 2013 |
| Revenues from external | 1,075 | 1,142 | 20 | 101 | 903 | 984 | 381 | 337 | 2,379 2,564 |
| Total revenues | 1,075 | 1,142 | 20 | 101 | 906 | 989 | 381 | 337 | 2,382 2,569 |
| Profits by segment | 586 | 530 | 7 | 88 | 615 | 680 | 110 | 91 | 1,318 1,389 |
| Unallocated revenues and expenses: | | | | | | | | | |
| Interest income | | | | | | | | | 108 105 |
| Other income | | | | | | | | | 14 6 |
| Operating expenses | | | | | | | | | (441) (463) |
| Interest expenses | | | | | | | | | (36) (31) |
| Income taxes | | | | | | | | | (201) (222) |
| Profits for the years | | | | | | | | | 762 784 |

The following table presents assets by operating segment as at December 31, 2014 and 2013.

| Unit: Million Baht | | | | | | |
|-------------------------|-------------------|-----------------|------------------|--------------------|-------------|---------------------|
| | Securities | Investment | Security trading | Asset | Unallocated | Consolidated |
| | brokerage segment | banking segment | segment | management segment | assets | financial statement |
| Segment assets | | | | | | |
| As at December 31, 2014 | 5,686 | - | 3,689 | 337 | 810 | 10,522 |
| As at December 31, 2013 | 4,524 | - | 2,291 | 278 | 1,166 | 8,259 |

37. COMMITMENTS AND CONTINGENT LIABILITIES

37.1 Contingent liabilities from litigation cases

As at December 31, 2014, the Company and its subsidiary have the following significant contingent liabilities from litigation cases.

- (1) In February 2009, the Company received a notice letter from the lessor of the Company's former the head office's building requesting the Company to make payment of a building reinstatement charge of Baht 28 million, together with a fine of Baht 28 million per day, commencing from February 8, 2009 until the building reinstatement process has been completed. Currently, negotiations with the lessor have yet to reach a conclusion and may need to be settled through the courts. The possibility and the amount of such claim are subject to Courts' judgment. However, the Company has recognised estimated liabilities of approximately Baht 18 million in respect of reinstatement of the leased building in its financial statements since 2008. Such amount is based on the estimation of a property consultant.
- (2) In January 2010, the Company's debt collection agency ("Debt Collector") terminated its provision of debt collection services and requested the Company to pay claims in respect of service fees or professional fees of no less than Baht 20 million. The cases are summarised below.
 - (a) During the years 2010-2011, the Debt Collector filed 21 civil lawsuits against the Company, with the total claims of Baht 13.2 million. Four cases have already been dismissed by the courts while in 17 cases the Company was ordered to pay fees to the Debt Collector. However, the amounts of claims involved in those 21 cases are immaterial and the Company has already recorded liabilities in respect of the cases in its financial statements.
 - (b) In January 2012, the Debt Collector filed an additional case with the Court of First Instance requesting for additional service fee of Baht 1.0 million. However, this case has been dismissed by the Court in April 2012.

Moreover, in 2010 the Company discovered that the Debt Collector has breached the agreement by reducing the debt of some debtors and failing to deliver certain sums received from such debtors to the Company, which constituted an act beyond the authority assigned by the Company. In this regard, the Company took legal action against the Debt Collector, as described below:

- (a) A criminal lawsuit was filed against the Debt Collector, alleging embezzlement and later on July 2, 2010, the Debt Collector filed a criminal countersuit against the Company, alleging that it had brought false charges. In both of these criminal lawsuits the examinations were completed and the Court of First Instance issued rulings to dismiss the Debt Collector's lawsuit, and the Debt Collector already appealed. However, the Debt Collector later filed a petition to withdraw such an appeal and this case is already absolute and final due to the withdrawal permission ruled by the Appeal Court. Meanwhile, the case brought by the Company against the Debt Collector was ruled to have legal grounds and to be admissible. Later, on August 4, 2011, the Court of First Instance held a mediation process through which the Company and the Debt Collector were able to agree a settlement, whereby the Debt Collector admitted the charges made by the Company and agreed to pay Baht 2.0 million to the Company. However, such amount has to be set-off with the payments to be made by the Company in accordance with the court judgments in 16 debt collection service fee cases as described above. The remaining Baht 0.3 million was to be paid by the Debt Collector within November 2011. Both parties agreed that the resolutions of the above 20 debt collection service fee cases are thus absolute and final, and that the Company and the Debt Collector would withdraw all appeals and/or cease all related execution proceedings. However, such payment was not made by the Debt Collector as scheduled. As a result, on December 16, 2011, the Court ordered that the head of the Debt Collector serves 6 months' imprisonment, with a reduction to 3 months because of the confession. The Debt Collector filed an appeal to the Appeal Court on February 14, 2012. Later, on November 20, 2013, the Appeal Court affirmed the ruling of the Court of First Instance, ordering the imprisonment of the head of the Debt Collector. However, on December 20, 2013, the Debt Collector appealed to the Supreme Court. Currently, this case is already absolute and final due to the judgment ruled by the Supreme Court on October 28, 2014, ordering to change the penalty charged the head of the Debt Collector from imprisonment to 3 months detainment.
- (b) A civil lawsuit was filed against the Debt Collector with total claims amounting to Baht 33.09 million. The Court of First Instance ruling in March 2011 ordered the Debt Collector to pay Baht 17.96 million to the Company. However, the Debt Collector appealed to the Court and also filed lawsuits against the Company and its authorized person, alleging that they had made false statements to the Court in the civil case. In June 2011, a civil lawsuit was filed claiming damages of Baht 30.01 million, and this case is currently dismissed by the Court. In July 2011, the Debt Collector filed a criminal lawsuit. Examination of this case was completed and the lawsuit was dismissed in a ruling made by the Court of First Instance on September 19, 2011, but the Debt Collector has submitted an appeal to the Appeal Court on January 11, 2012. Later, on August 21, 2013, the Appeal Court has already affirmed the ruling of the Court of First Instance to dismiss the case of the Debt Collector. Currently, the case is absolute and final, because the Debt Collector did not appeal with the Supreme Court within the timeframe provided.

- (3) In December 2010, a stock trading account client brought a criminal case against the Company, its authorized directors and a former marketing officer, accusing them of jointly defrauding the client. The inquiry official subsequently stated their opinion that prosecution against the Company and its authorized directors should not proceed and sent this case to the public prosecutor for future consideration. In September 2013, the public prosecutor has prosecuted a criminal case against others accused, except the Company and its authorised directors.

Moreover, the client sent the Company a legal notice claiming damages amounting to Baht 7.6 million in respect of the civil claim of the above case. It is still unclear whether the Company will be jointly liable with its former marketing officer. However, the Company recorded the above liability in the financial statements for the year 2010. Later on June 26, 2012, such client filed a civil lawsuit against the Company and the former marketing officer with total claims amounting to Baht 5.96 million, plus interest. The court ruled in favor of the client on February 5, 2013. The Company has appealed to the Appeal Court until the lawsuit related to the Company was dismissed by the ruling of the Appeal Court on March 11, 2014. Then, on May 8, 2014, the client has appealed to the Supreme Court and the Company already submitted an answer to such petition. Currently, this case is under consideration by the Supreme Court.

- (4) In June 2014, the client who owns stock trading account has filed a civil lawsuit against the Company and the former marketing officer with total claims amounting to Baht 0.5 million, plus interest. Then, the Company has already submitted an answer to such plaintiff and also file a counter lawsuit against such client with total claim amount of Baht 0.2 million, plus interest. Currently, this case is under consideration by the Court of First Instance. However, the Company has already recorded the proper liability in the financial statements.
- (5) In December 2014, the client who owns stock trading account has filed a civil lawsuit against the Company with total claims amounting to Baht 2.8 million plus interest. The Company's legal counsels are of the opinion that the client got no any damages as claimed and is already preparing an answer to such plaintiff. Currently, this case is under consideration by the Court of First Instance.

37.2 Commitments

Significant commitment as at December 31, 2014 and 2013, are as follows:

- (1) The Company and its subsidiaries have significant outstanding commitments under long-term office space, office equipment and motor vehicles rental and services agreements as follows:

| Payable within: | CONSOLIDATED | | Unit: Million Baht | |
|-----------------------------|----------------------|--------------|--------------------|--------------|
| | FINANCIAL STATEMENTS | | SEPARATE | |
| | December 31, | December 31, | December 31, | December 31, |
| | 2014 | 2013 | 2014 | 2013 |
| 1 year | 122 | 109 | 103 | 95 |
| Over 1 but not over 5 years | 170 | 58 | 154 | 37 |
| Total | 292 | 167 | 257 | 132 |

- (2) The Company has an obligation in respect of an agreement related to maintenance of computers and provision of related services which the Company has to pay a monthly fee of approximately Baht 1.2 million. No due date is stipulated in the agreement.
- (3) The Company has an obligation in respect of IT service agreements with related parties amounting to USD 470,197 and USD 55,158, respectively.
- (4) A subsidiary has an obligation in respect of an agreement related to maintenance of computer software under which the subsidiary has to pay an annual fee of approximately Baht 4.1 million and Baht 4.7 million, respectively. No due date is stipulated in the agreement.
- (5) A subsidiary has capital commitment of approximately Baht 2.7 million and Baht 2.3 million, respectively, relating to office renovation.

37.3 Commitments in respect of derivatives trading

37.3.1 Derivatives on future market

Derivatives on future market as at December 31, 2014 and 2013 are as follows:

| | CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | |
|---|--|-------------------------|---------------------|-------------------------|
| | December 31, 2014 | | | |
| | Long position | | Short position | |
| | No. of Contracts | Cost (Thousand Baht) | No. of Contracts | Cost (Thousand Baht) |
| <u>Thailand Futures Exchange</u> | | | | |
| SET50 Index Futures | 3,257 | 641,549 | 956 | 193,673 |
| Single Stock Futures | 1,053 | 76,826 | 236,779 | 2,069,318 |
| Gold Futures | 20 | 18,702 | 28 | 18,780 |
| USD Futures | 50 | 1,654 | - | - |
| SET50 Index Options | 286 | 1,561 | 142 | 1,460 |
| Total derivatives on future market | 4,666 | 740,292 | 237,905 | 2,283,231 |

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2013

| | Long position | | Short position | |
|---|---------------------|-------------------------|---------------------|-------------------------|
| | No. of Contracts | Cost (Thousand Baht) | No. of Contracts | Cost (Thousand Baht) |
| <u>Thailand Futures Exchange</u> | | | | |
| SET50 Index Futures | 554 | 493,071 | 491 | 471,187 |
| Single Stock Futures | 13 | 4,309 | 95,886 | 609,274 |
| Gold Futures | 12 | 11,568 | 60 | 11,697 |
| USD Futures | 94 | 3,096 | 60 | 1,976 |
| SET50 Index Options | 95 | 1,398 | 1 | 2 |
| Total | 768 | 513,442 | 96,498 | 1,094,136 |
| <u>Overseas Futures Market</u> | | | | |
| Hang Seng Index Futures | - | - | 8 | 11,753 |
| Total | - | - | 8 | 11,753 |
| Total derivatives on future market | 768 | 513,442 | 96,506 | 1,105,889 |

37.3.2 Derivatives on the Stock Exchange of Thailand

Derivatives on the Stock Exchange of Thailand as at December 31, 2014 and 2013 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2014

| | Long position | | Short position | |
|--|---------------------|-------------------------------|---------------------|-------------------------------|
| | No. of Contracts | Fair value (Thousand Baht) | No. of Contracts | Fair value (Thousand Baht) |
| Derivative warrant | | | | |
| Call warrant | - | - | 73 | 75,666 |
| Put warrant | - | - | 12 | 15,092 |
| Warrant | 5 | 7,515 | - | - |
| Total derivatives on Stock Exchange of Thailand | 5 | 7,515 | 85 | 90,758 |

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
December 31, 2013

| | Long position | | Short position | |
|--|---------------------|-------------------------------|---------------------|-------------------------------|
| | No. of Contracts | Fair value (Thousand Baht) | No. of Contracts | Fair value (Thousand Baht) |
| Derivative warrant | | | | |
| Call warrant | 2 | 14,045 | 57 | 99,203 |
| Put warrant | - | - | 15 | 45,680 |
| Warrant | 2 | 1,907 | - | - |
| Total derivatives on Stock Exchange of Thailand | 4 | 15,952 | 72 | 144,883 |

37.3.3 Over-the-Counter derivatives (OTC)

Over-the-Counter derivatives as at December 31, 2014 and 2013 are as follows:

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|--|---------------------|-------------------------------|---------------------|-------------------------------|
| December 31, 2014 | | | | |
| | Long position | | Short position | |
| | No. of Contracts | Fair value (Thousand Baht) | No. of Contracts | Fair value (Thousand Baht) |
| Interest Rate Swap | | | | |
| The Company pays floating rate and receives fixed rate | 3 | 24,381 | - | - |
| The Company pays fixed rate and receives floating rate | - | - | 3 | 24,042 |
| Exotic option | 3 | 1,017 | - | - |
| Forward contract | - | - | 1 | 47 |
| Total over-the-counter derivatives | 6 | 25,398 | 4 | 24,089 |

| CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS | | | | |
|--|---------------------|-------------------------------|---------------------|-------------------------------|
| December 31, 2013 | | | | |
| | Long position | | Short position | |
| | No. of Contracts | Fair value (Thousand Baht) | No. of Contracts | Fair value (Thousand Baht) |
| Interest Rate Swap | | | | |
| The Company pays floating rate and receives fixed rate | 4 | 16,754 | - | - |
| The Company pays fixed rate and receives floating rate | - | - | 5 | 19,156 |
| Exotic option | 1 | 574 | - | - |
| Forward contract | - | - | 1 | 369 |
| Total over-the-counter derivatives | 5 | 17,328 | 6 | 19,525 |

38. FINANCIAL INSTRUMENTS

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

Financial instruments of the Company and its subsidiaries principally comprise cash and cash equivalents, deposits at financial institutions, securities purchased under resale agreements and sold under repurchase agreements, investments, receivables from and payables to Clearing House, securities and derivatives business receivables and payables, borrowings from financial institutions, debt issued and borrowings and subordinated loans from subsidiary companies.

Risk management policy

The Company and its subsidiary companies are exposed to risks from changes in interest rates and currency exchange rates and risks from nonperformance of contractual obligations by counterparties. The Company uses derivatives, as and when it considers appropriate, to manage such risks. In addition, the Company has a policy to enter into contracts with creditworthy counterparties. Therefore, the Company does not expect any material financial losses to arise from that the counterparties will fail to discharge their obligations as stipulated in the financial instruments contracts.

The accounting policies of derivatives are disclosed in Note 4 to the financial statements.

38.1 Market risk

Market risk refers to the risk that fluctuations in market trading volumes and interest rates will directly impact on the Company's revenue or the value of the Company's financial assets and liabilities at present and in the future. Factors causing volatility in market trading volumes and interest rates include political developments, the economic outlook, and domestic and investor sentiment, both domestically and internationally.

A variety of tools are used to implement comprehensive measurement and analysis of market risk. For example, Value-at-Risk is used to measure the potential loss on investment given a certain time horizon and level of probability, and stress testing is implemented to evaluate the robustness of a company in any given stress scenarios. These analytical tools provide a picture of the Company's potential future losses. Moreover, the Company assesses and manages the losses potential resulting from market losses by setting stop loss limits and position limits that are appropriate to current market conditions, which change over time.

38.2 Interest Rate Risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating result and cash flows of the Company and subsidiary companies.

The exposure to interest rate risk of the Company and its subsidiary companies relates primarily to their deposits at financial institutions, securities purchased under resale agreements, securities and derivative business receivable - credit balance accounts, long-term investments in debt securities and debt issued and borrowings. However, as most of the financial assets and liabilities carry floating interest rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company and its subsidiary companies do not use derivatives to manage their interest rate risk.

As at December 31, 2014 and 2013, the significant financial assets and liabilities classified by types of interest rate and, for the financial assets and liabilities carrying fixed interest rate, by the contractual reprising or maturity date (whichever is earlier) are as follows:

Unit: Million Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | | | | |
|--|---------------------------|--|-------------|--------------|-------------|---------------------|-------|------------------------|---------------------|--|--|
| Outstanding balance of financial instruments as at December 31, 2014 | | | | | | | | | | | |
| | Floating interest rate | Fixed interest rate | | | | Without interest | Total | Interest rates | | Effective interest rates Percentage | |
| | | Remaining period to the contractual reprising date or maturity date | | | | | | Floating Percentage | Fixed Percentage | | |
| | | Within 1 year | 1 - 5 years | Over 5 years | Unspecified | | | | | | |
| | | | | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | | | | |
| Cash and cash equivalents | 313 | 20 | - | - | - | 60 | 393 | 1.02 | 1.60 | 1.05 | |
| Deposits at financial institutions | - | 197 | - | - | - | - | 197 | - | 2.65 | 2.65 | |
| Receivables from Clearing House | 418 | - | - | - | - | 323 | 741 | 2.68 | - | 2.68 | |
| Securities and derivatives business | | | | | | | | | | | |
| receivables - net | 19 | 1,451 | - | - | - | 3,416 | 4,886 | 1.27 | 6.00 | 5.94 | |
| Derivatives assets | - | - | - | - | - | 34 | 34 | - | - | - | |
| Investments - net | - | 206 | 340 | 150 | - | 3,130 | 3,826 | - | 3.50 | 2.72 | |
| <u>Financial liabilities</u> | | | | | | | | | | | |
| Borrowing from financial | | | | | | | | | | | |
| institutions | - | 600 | - | - | - | - | 600 | - | 2.08 | 2.08 | |
| Securities sold under repurchase | | | | | | | | | | | |
| agreements | - | 130 | - | - | - | - | 130 | - | 1.92 | 1.92 | |
| Securities and derivatives business | | | | | | | | | | | |
| payables | - | - | - | - | - | 3,236 | 3,236 | - | - | - | |
| Derivatives liabilities | - | - | - | - | - | 116 | 116 | - | - | - | |
| Debts issued and other borrowings | - | 657 | - | - | - | - | 657 | - | 2.72 | 2.72 | |

Unit: Million Baht

| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | | | | | |
|--|------------------------|---|-------------|--------------|-------------|------------------|-------|---------------------|------------------|--------------------------|
| Outstanding balance of financial instruments as at December 31, 2013 | | | | | | | | | | |
| | Fixed interest rate | | | | | | Total | Interest rates | | Effective interest rates |
| | Floating interest rate | Remaining period to the contractual reprising date or maturity date | | | | Without interest | | Floating Percentage | Fixed Percentage | |
| | | Within 1 year | 1 - 5 years | Over 5 years | Unspecified | | | | | |
| | | | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | | | |
| Cash and cash equivalents | 843 | 81 | - | - | - | 61 | 985 | 1.73 | 2.85 | 1.83 |
| Deposits at financial institutions | - | 90 | - | - | - | - | 90 | - | 3.08 | 3.08 |
| Securities purchased under resale agreements | - | 365 | - | - | - | - | 365 | - | 2.50 | 2.50 |
| Receivables from Clearing House | 217 | - | - | - | - | 154 | 371 | 2.81 | - | 2.81 |
| Securities and derivatives business receivables - net | 221 | 1,681 | - | - | - | 2,203 | 4,105 | 1.52 | 6.00 | 5.48 |
| Derivatives assets | - | - | - | - | - | 35 | 35 | - | - | - |
| Investments - net | - | 331 | 242 | - | - | 1,321 | 1,894 | - | 3.82 | 2.66 |
| <u>Financial liabilities</u> | | | | | | | | | | |
| Securities sold under repurchase agreements | - | 165 | - | - | - | - | 165 | - | 2.20 | 2.20 |
| Payables to Clearing House | - | - | - | - | - | 307 | 307 | - | - | - |
| Securities and derivatives business payables | - | - | - | - | - | 1,977 | 1,977 | - | - | - |
| Derivatives liabilities | - | - | - | - | - | 164 | 164 | - | - | - |
| Debts issued and other borrowings | - | 3 | - | - | - | - | 3 | - | 3.47 | 3.47 |

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

Outstanding balance of financial instruments as at December 31, 2014

| | Fixed interest rate | | | | | | | Interest rates | | Effective |
|-------------------------------------|---------------------------|--|-------------|--------------|-------------|---------------------|-------|------------------------|---------------------|---------------------------------|
| | Floating interest rate | Remaining period to the contractual reprising date or maturity date | | | | Without interest | Total | Floating Percentage | Fixed Percentage | interest rates Percentage |
| | | Within 1 year | 1 - 5 years | Over 5 years | Unspecified | | | | | |
| | | | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | | | |
| Cash and cash equivalents | 203 | - | - | - | - | 61 | 264 | 1.52 | 1.10 | 1.52 |
| Deposits at financial institutions | - | 2 | - | - | - | - | 2 | - | 2.70 | 2.70 |
| Receivables from Clearing House | 418 | - | - | - | - | 323 | 741 | 2.68 | - | 2.68 |
| Securities and derivatives business | | | | | | | | | | |
| receivables - net | 19 | 1,451 | - | - | - | 3,416 | 4,886 | 1.27 | 6.00 | 5.94 |
| Derivatives assets | - | - | - | - | - | 34 | 34 | - | - | - |
| Investments - net | - | 198 | 340 | 150 | - | 2,961 | 3,649 | - | 3.50 | 2.73 |
| Investments in subsidiaries - net | - | - | - | - | - | 2,550 | 2,550 | - | - | - |
| <u>Financial liabilities</u> | | | | | | | | | | |
| Borrowing from financial | | | | | | | | | | |
| institutions | - | 600 | - | - | - | - | 600 | - | 2.08 | 2.08 |
| Securities sold under repurchase | | | | | | | | | | |
| agreements | - | 130 | - | - | - | - | 130 | - | 1.92 | 1.92 |
| Securities and derivatives business | | | | | | | | | | |
| payables | - | - | - | - | - | 3,236 | 3,236 | - | - | - |
| Subordinated loans from subsidiary | | | | | | | | | | |
| companies | - | - | - | - | - | 1,937 | 1,937 | - | - | - |
| Derivatives liabilities | - | - | - | - | - | 116 | 116 | - | - | - |
| Debts issued and other borrowings | - | 657 | - | - | - | - | 657 | - | 2.72 | 2.72 |

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

Outstanding balance of financial instruments as at December 31, 2013

| | Fixed interest rate | | | | | | | Effective | | |
|-------------------------------------|---------------------|-------------------------------------|-------------|--------------|-------------|---------|-------|----------------|-------|------------|
| | Floating | Remaining period to the contractual | | | | Without | Total | Interest rates | | interest |
| | | reprising date or maturity date | | | | | | Floating | Fixed | |
| | | Within 1 year | 1 - 5 years | Over 5 years | Unspecified | | | | | |
| | interest rate | | | | | | | | | Percentage |
| <u>Financial Assets</u> | | | | | | | | | | |
| Cash and cash equivalents | 717 | - | - | - | - | 61 | 778 | 2.01 | 1.44 | 2.01 |
| Deposits at financial institutions | - | 2 | - | - | - | - | 2 | - | 3.08 | 3.08 |
| Securities purchased under resale | | | | | | | | | | |
| agreements | - | 365 | - | - | - | - | 365 | - | 2.50 | 2.50 |
| Receivables from Clearing House | 217 | - | - | - | - | 154 | 371 | 2.81 | - | 2.81 |
| Securities and derivatives business | | | | | | | | | | |
| receivables - net | 221 | 1,681 | - | - | - | 2,203 | 4,105 | 1.52 | 6.00 | 5.48 |
| Derivatives assets | - | - | - | - | - | 35 | 35 | - | - | - |
| Investments - net | - | 331 | 234 | - | - | 1,321 | 1,886 | - | 3.83 | 2.66 |
| Investments in subsidiaries - net | - | - | - | - | - | 2,550 | 2,550 | - | - | - |
| <u>Financial liabilities</u> | | | | | | | | | | |
| Securities sold under repurchase | | | | | | | | | | |
| agreements | - | 165 | - | - | - | - | 165 | - | 2.20 | 2.20 |
| Payables to Clearing House | - | - | - | - | - | 307 | 307 | - | - | - |
| Securities and derivatives business | | | | | | | | | | |
| payables | - | - | - | - | - | 1,977 | 1,977 | - | - | - |
| Subordinated loans from subsidiary | | | | | | | | | | |
| companies | - | - | - | - | - | 2,099 | 2,099 | - | - | - |
| Derivatives liabilities | - | - | - | - | - | 164 | 164 | - | - | - |
| Debts issued and other borrowings | - | 3 | - | - | - | - | 3 | - | 3.47 | 3.47 |

38.3 Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in a financial loss to the Company and its subsidiary companies.

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables, loans and other accounts receivable. The Company controls such risk by establishing credit limits for clients and counter parties and analyzing their financial position as an ongoing basis. The Company is not expected to have much concentration risk of credit exposure because it has a variety of client base and large number of clients.

38.4 Liquidity risk

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

The Company has procedure and process to monitor, follow and control liquidity risk. For example, when the Company is launching a new product, it assesses the impact on its liquid capital by estimating its net capital ratio after the product is launched using a stress test technique, and takes this information into consideration in determining the appropriate size of the product issue.

The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Capital Rule must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees.

The maturity dates of financial instruments held as of December 31, 2014 and 2013, counting from the statements of financial position date are as follows:

| Unit: Million Baht | | | | | | |
|---|---------|---------------|-----------|--------------|-------------|-------|
| CONSOLIDATED FINANCIAL STATEMENTS | | | | | | |
| December 31, 2014 | | | | | | |
| | At call | Within 1 year | 1-5 years | Over 5 years | No maturity | Total |
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | 333 | - | - | - | 60 | 393 |
| Deposits at financial institutions | - | 197 | - | - | - | 197 |
| Receivables from Clearing House | - | 741 | - | - | - | 741 |
| Securities and derivatives business receivables - net | - | 3,406 | 29 | - | 1,451 | 4,886 |
| Derivatives assets | - | 5 | 29 | - | - | 34 |
| Investments - net | - | 206 | 340 | 150 | 3,130 | 3,826 |
| <u>Financial liabilities</u> | | | | | | |
| Borrowing from financial institutions | 400 | 200 | - | - | - | 600 |
| Securities sold under repurchase agreements | - | 130 | - | - | - | 130 |
| Securities and derivatives business payables | - | 3,236 | - | - | - | 3,236 |
| Derivatives liabilities | - | 95 | 21 | - | - | 116 |
| Debts issued and other borrowings | - | 657 | - | - | - | 657 |

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013

| | At call | Within 1 year | 1-5 years | Over 5 years | No maturity | Total |
|---|---------|---------------|-----------|--------------|-------------|-------|
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | 917 | 68 | - | - | - | 985 |
| Deposits at financial institutions | - | 90 | - | - | - | 90 |
| Securities purchased under resale agreements | - | 365 | - | - | - | 365 |
| Receivables from Clearing House | - | 371 | - | - | - | 371 |
| Securities and derivatives business receivables - net | - | 2,392 | 32 | - | 1,681 | 4,105 |
| Derivatives assets | - | 18 | 17 | - | - | 35 |
| Investments - net | - | 331 | 242 | - | 1,321 | 1,894 |
| <u>Financial liabilities</u> | | | | | | |
| Securities sold under repurchase agreements | - | 165 | - | - | - | 165 |
| Payables to Clearing House | - | 307 | - | - | - | 307 |
| Securities and derivatives business payables | - | 1,977 | - | - | - | 1,977 |
| Derivatives liabilities | - | 149 | 15 | - | - | 164 |
| Debts issued and other borrowings | - | 3 | - | - | - | 3 |

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2014

| | At call | Within 1 year | 1-5 years | Over 5 years | No maturity | Total |
|---|---------|---------------|-----------|--------------|-------------|-------|
| <u>Financial assets</u> | | | | | | |
| Cash and cash equivalents | 203 | - | - | - | 61 | 264 |
| Deposits at financial institutions | - | 2 | - | - | - | 2 |
| Receivables from Clearing House | - | 741 | - | - | - | 741 |
| Securities and derivatives business receivables - net | - | 3,406 | 29 | - | 1,451 | 4,886 |
| Derivatives assets | - | 5 | 29 | - | - | 34 |
| Investments - net | - | 198 | 340 | 150 | 2,961 | 3,649 |
| Investments in subsidiaries - net | - | - | - | - | 2,550 | 2,550 |
| <u>Financial liabilities</u> | | | | | | |
| Borrowing from financial institutions | 400 | 200 | - | - | - | 600 |
| Securities sold under repurchase agreements | - | 130 | - | - | - | 130 |
| Securities and derivatives business payables | - | 3,236 | - | - | - | 3,236 |
| Subordinated loans from a subsidiary companies | - | - | 1,937 | - | - | 1,937 |
| Derivatives liabilities | - | 95 | 21 | - | - | 116 |
| Debts issued and other borrowings | - | 657 | - | - | - | 657 |

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

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| | At call | Within 1 year | 1-5 years | Over 5 years | No maturity | Total |
|---|---------|---------------|-----------|--------------|-------------|-------|
| Financial assets | | | | | | |
| Cash and cash equivalents | 778 | - | - | - | - | 778 |
| Deposits at financial institutions | - | 2 | - | - | - | 2 |
| Securities purchased under resale agreements | - | 365 | - | - | - | 365 |
| Receivables from Clearing House | - | 371 | - | - | - | 371 |
| Securities and derivatives business receivables - net | - | 2,392 | 32 | - | 1,681 | 4,105 |
| Derivatives assets | - | 18 | 17 | - | - | 35 |
| Investments - net | - | 331 | 234 | - | 1,321 | 1,886 |
| Investments in subsidiaries -net | - | - | - | - | 2,550 | 2,550 |
| Financial liabilities | | | | | | |
| Securities sold under repurchase agreements | - | 165 | - | - | - | 165 |
| Payables to Clearing House | - | 307 | - | - | - | 307 |
| Securities and derivatives business payables | - | 1,977 | - | - | - | 1,977 |
| Subordinated loans from a subsidiary companies | - | - | 2,099 | - | - | 2,099 |
| Derivatives liabilities | - | 149 | 15 | - | - | 164 |
| Debts issued and other borrowings | - | 3 | - | - | - | 3 |

38.5 Foreign exchange risk

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

As of December 31, 2014 and 2013, the Company has investments in subsidiaries in foreign currency under cost method of USD 59.4 million (equivalent to Baht 2,383 million). However, the Company also has obtained Thai Baht loans from those subsidiaries totaling Baht 1,936.5 million and Baht 2,099 million, respectively.

The Company has exposure to foreign exchange risk in respect of its investments in foreign currencies. The Company has entered into any forward exchange contracts with maturities of up to 1 year to manage this risk.

As at December 31, 2014 and 2013, the outstanding balance of forward exchange contracts is as follows:

| Foreign currency | Sold amount (Million) | December 31, 2014 | | Sold amount (Million) | December 31, 2013 | |
|------------------|--------------------------|--|------------------------------|--------------------------|--|------------------------------|
| | | Contractual exchange rate (Baht per 1 foreign currency unit) | Contractual maturity date | | Contractual exchange rate (Baht per 1 foreign currency unit) | Contractual maturity date |
| USD | 0.17 | 32.5380 | January 2015 | 0.27 | 31.3075 | January 2014 |

38.6 Fair value

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The Company and its subsidiary companies have estimated the fair value of financial instruments as follows:

(a) Financial assets

The method used for determining the fair value is dependent upon the characteristics of the financial instruments. The fair values of financial assets including cash and cash equivalents, deposits at financial institutions, receivables from Clearing House and securities purchased under resale agreement are considered to approximate to their respective carrying values since the financial instruments are predominantly subject to market interest rates. The fair values of financial instruments that have standard terms and conditions and are traded on an active and liquid market, such as investments in securities, are determined based on the quoted market price. In addition, the fair values of securities and derivative business receivables are determined based on their book value, less allowance for doubtful accounts.

(b) Financial liabilities

Borrowings from financial institutions, debt issued and borrowings, securities sold under repurchased agreements, payables to Clearing House and securities and derivative business payables are presented at their book value since they mature in the short-term.

As of December 31, 2014 and 2013, the Company and its subsidiary companies have no financial instruments of which the book values are materially different from the fair value.

39. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' meeting of the Company No. 1/2015 held on February 27, 2015 passed a resolution to propose to the Annual General Meeting of the Company's shareholders for an approval of dividend payment of Baht 0.365 per share, or a total of approximately Baht 727 million from the earnings of the January 1, 2014 to December 31, 2014 period. The dividend will be paid in May 2015.

The Board of Directors' meeting of the subsidiary company No. 1/2015 held on February 26, 2015 passed a resolution to propose to the Annual General Meeting of the subsidiary Company's shareholders for an approval of dividend payment of Baht 4.50 per share, or a total of approximately Baht 47 million from the earnings of the January 1, 2014 to December 31, 2014 period. The dividend will be paid in April 2015.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 27, 2015.



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