



Partnership
for Success

2016
Annual Report

Contents

	Page
Chairman's Letter.....	1
Report of the Audit Committee.....	4
Report of the Board of Directors' Responsibilities for Financial Reports.....	6
Financial Highlights.....	7
Part 1: The Company's Business	
1 Policy and Overview of The Company's Business.....	8
2 Business Line.....	13
3 Risk Factor.....	25
4 Assets used for business.....	29
5 Legal Cases.....	30
6 General information and Other relevant information.....	30
Part 2: Management and Corporate Governance	
7 Company information and Shareholders.....	35
8 Management Structure.....	36
9 Corporate Governance.....	53
10 Corporate Social Responsibilities: CSR.....	61
11 The Internal Control and Risk Management.....	66
12 Related Party Transaction	67
Part 3: Financial position and operating results	
13 Financial position and operating results.....	69
14 Management Discussion & Analysis.....	77
Attachment	
Attachment 1 Information of Company's directors, management and the Company Secretary.....	85
Attachment 2 Information of subsidiaries' Executives.....	105
Attachment 3 Information of Head of Audit Department and Head of Legal & Compliance Department.....	106
Attachment 4 Underlying company information of the remaining DWs and History of DW issued by the Company for the past 2 years (2015-2016).....	108
Attachment 5 The Company's Branch and subsidiary's office locations	120
Attachment 6 Financial Statements for the year ended 31 st December 2016.....	121

Chairman's Letter

Dear Shareholders,

I am pleased to present to you KGI Securities (Thailand)'s financial results and annual report for 2016.

Despite the many challenges which we faced during the year, I am proud to announce that KGI Thailand produced its best ever financial results in 2016. For the full year of 2016 our Company achieved an audited net profit of Baht 1,022 million which is equivalent to earnings per share, or EPS, of Baht 0.51. The net profit represents an increase of 74% when compared with the net profits of the Company of Baht 587 million for 2015.

The Board of Directors has approved the payment of a dividend of Baht 0.38 per share, which will be proposed to the Annual General Meeting ("AGM") of shareholders to be held on 11th April 2017, and is expected to be paid on or about 9th May 2017.

I would also like to introduce to you KGI Thailand's new Chief Operating Officer, Mr. Chih - Hung Lin. Mr. Lin has been a director of KGI Thailand, and knows the Company and its operations well. He has tremendous experience in the finance industry and is especially knowledgeable about financial derivatives. Mr. Lin was appointed as Chief Operating Officer ("COO") by the Board of Directors in May 2016 and as mentioned above he has helped to oversee the Company whilst it has produced its best financial performance ever. On behalf of all shareholders, I am pleased to welcome Mr. Lin as the new COO.



Mr. Foong Hock Meng
Chairman



Mr. Chih - Hung Lin
Chief Operating Officer

Review of 2016

2016 was a volatile and surprising year in many ways. The year began with a continuation of the sharp decline in oil and commodity prices which had been falling throughout 2015, and concerns about slowing economic growth particularly in China. These concerns in turn pushed financial markets lower. However, it turned out that the markets had over-reacted, and that the financial market and commodity sell-offs in January and February marked the bottom and markets recovered throughout the rest of the year to end 2016 at close to year highs.

In the international political area there were two notable events in 2016 which surprised many people. In June the United Kingdom against market expectations voted for "Brexit" a decision to leave the European Union. This process will take several years to complete and the extent of its global impact is still uncertain. In November also unexpectedly the United States elected Donald Trump as their new president. President Trump's plans for major infrastructure investment could boost both US and global economies. However his threats to impose large import duties, especially on Chinese made products, possibly leading to a trade war could cause significant economic harm. It remains to be seen which and to what extent his campaign promises will be put into action.

Global economic growth in 2016 is estimated by the World Bank to have been just 2.3%, which was somewhat lower than estimates made at the beginning of the year and was the lowest global growth rate recorded since the financial crisis in 2008. In 2017 global GDP growth is currently expected to rise only modestly to 2.7%. However, the political and economic uncertainties mentioned above, along with some key elections to take place in the EU countries, could see high volatility in financial markets.

Thailand

In October Thailand's beloved king Bhumibol Adulyadej sadly passed away, however he will live forever in the hearts of the Thai people.

Thailand's economy grew at an estimated 3.3% in 2016 and is forecast to grow at a slightly faster rate of 3.6% in 2017. Most of Thailand's major economic indicators were stable in 2016; GDP growth, inflation, and the Thai Baht foreign exchange rate were little changed. The political situation has also stabilized and following the approval of the new constitution in August last year a new election and return to civilian government is expected in 2018.

For the whole 2016, the SET Index staged an impressive rally of 19.8% to close the year at 1,542.94 pts. The daily average market turnover (both SET and MAI) stood at Baht 52.5 billion, increasing by 18.5% from Baht 44.3 billion in 2015.

The market was supported internationally by generally rising equity markets, especially in the US, and by a steady inflow of foreign equity investment as foreign fund managers became more risk tolerant and increased their exposure to emerging markets. For the whole of 2016 foreign investors were net buyers whilst local retail investors and local institutions were net sellers of Thai equities.

KGI Securities (Thailand)

KGI Thailand's broad-based business operations is one of its most important strengths, and this was particularly true in 2016 with all of our Business Units achieving a strong performance.

Our equity and derivatives brokerage business continued to perform well despite continued downward pressure on commission rates and the entry into the market of very low priced internet focused brokers. For the whole of 2016 KGI had a brokerage market share of 3.76% and ranked 10th out of 36 brokers active on the Stock Exchange of Thailand. On the futures market, TFEX, KGI again ranked 1st with a market share of 12.59%. To support the increasing demand for on-line trading, in 2016, we upgraded our internet trading platform, KGI POWER TRADE, to include both web and mobile versions. This has been well received by customers.

The Equity Derivatives department also did well, producing a substantial increase in market share, and maintained its position as one of the leading DW issuers and market makers in Thailand.

Our Proprietary Trading department again produced a creditable performance, despite unusually high levels of volatility during the year.

The Investment Banking department also had a successful year in 2016 especially in the IPO market where investor's demand of IPO stock combined successfully with the department's long-term development of a healthy pipe-line of companies desiring to come to market. We acted as lead-manager for IPOs on both the SET and MAI markets. These IPOs not only generated fee and service revenue for the Company but helped to attract and retain retail brokerage customers. In 2017, we hope to continue to launch quality IPOs into the market.

The Fixed Income department faced a more challenging global macro environment with the US Fed clearly indicating the start of the upward phase of the interest rate cycle. In Thailand, interest rates remained flat in 2016 with no change to the Bank of Thailand's benchmark rates. Despite this more challenging environment (the BoT cut rates twice in 2015, which supported bond prices) the Fixed Income department produced a significantly improved financial performance owing to its strong sales and marketing capability.

Our asset management subsidiary ONEAM continued to launch innovative new funds, gained new mandates, and expanded distribution channels. As a result there was a notable improvement in ONEAM's financial performance.

Dividend

The Company has a flexible dividend policy and each year the Company's management will consider the Company's financial position, market conditions and investment opportunities before determining the appropriate dividend to be paid to shareholders. The board of directors has resolved to propose the payment of a dividend of Baht 0.38 per share, representing a dividend pay-out ratio of 78%. The dividend will be proposed to shareholders for approval at the shareholders' Annual General Meeting to be held on 11th April 2017 and subject to approval is expected to be paid to shareholders on or about 9th May 2017.

Outlook for 2017

Whilst the outlook for 2017 is somewhat clouded by the global political risks described above, recent economic data, including the latest GDP data for the US, China and Europe, PMI numbers, and commodity prices suggest that a pick-up in economic activity may be underway. In Thailand we expect to see a moderate increase in GDP growth to around 3.7% helped by spending on major infrastructure projects and improving consumer sentiment. The stock market has begun the year well with the SET index rising by over 50 points to 1,591 on above average volume at the time of writing.

Whatever 2017 does bring, your Company and its management team will continue working diligently to produce the best results for all our stakeholders. With a well diversified range of businesses and an experienced and hard-working management team I am confident that 2017 will be another successful and profitable year for our Company.

Corporate Social Responsibilities

We view Corporate Social Responsibility as an important and valuable function and a way for the Company to give back to society. The field of education is particularly important as it helps to develop and define the next generation.

In 2016 the Company continued its student sponsorship program which has so far paid the tuition fees for 81 students at 9 universities throughout Thailand. As the fourth and final group of these students is now in their final year at university and will soon graduate, the Company has turned to support children at an earlier stage of their education. The KGI Bicycle Donation Project donates bicycles to children throughout Thailand who live far from their nearest school to be more convenient to access their school. In 2016 the Company donated 1,000 bicycles to students in 8 provinces.

Stakeholders

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



Mr. Foong Hock Meng
Chairman of the Board



Mr. Chih - Hung Lin
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, Dr. Pisit Leeahtam (Chairman), Dr. Don Bhasavanich and Mr. Pradit Sawattananond. The Secretary to the Committee is Ms. Rungthip Vanitchapan, who also serves as Senior Vice President of the Audit Department. All of the Committee's members meet the qualifications set by The Securities and Exchange Commission. In 2016, the Audit Committee had five meetings and details of the attendance of each director are as follows:

Audit Committee	Position	Attendance Record / Total Meeting
1. Dr. Pisit Leeahtam	Chairman of the Audit Committee	5 / 5
2. Dr. Don Bhasavanich	Audit Committee Member	5 / 5 (2 attendances by phone)
3. 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 include 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 2016 of the Company and its subsidiaries with the Head of Finance and Accounting Department, Audit Department, and the external auditors. The fifth meeting was held exclusively with the external auditors without management or executives from other departments in attendance. The Audit Committee also consulted with the external auditors regarding significant issues and the disclosure of notes to the financial statement.

The Audit Committee agreed that the financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries for year ended 31st December 2016 were accurate and adequately adhered 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 the quarterly reports to comply with the Policies and Guidelines to prevent and combat corruption and the annual reports of the Audit Department of the year 2016. 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. For the assessment result for the year 2016, the Audit Committee regarded the Company as having an adequate internal control system appropriate for its businesses.

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

The Audit Committee monitored and reviewed the Company's compliance with the Securities and Exchange Act along with considering the quarterly and annual reports of the Legal and Compliance Department for the year 2016. In 2016, the Audit Committee agreed that the Company closely controlled and audited the performances of its units to ensure that they worked appropriately and complied with the related rules.

4. Reviewing of related party transactions

In 2016, 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 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 2016, 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 meeting to be in line with the principles of good corporate governance, as well as the regulation of the Stock Exchange of Thailand and Securities and Exchange Commission. In 2016, 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. Appointment of external auditor and auditing fee for 2017

The Audit Committee considered the performance of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd in the past year, and agreed that Deloitte Touche Tohmatsu Jaiyos Audit Co., and its auditor, has expertise in the auditing of a financial business including suggestions and consultation on accounting, tax and internal control. They also perform independently with no correlation or conflict of interest with the company and its subsidiaries.

The Audit Committee proposed that the Board of Directors propose at the shareholders' meeting, to consider and approve the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to be the Company's auditor for the 2017 accounting period. The Audit Committee also proposed to consider and approve the auditing fee for 2017 of Baht 1,960,000, which remained the same as the previous year. This fee is appropriate for the type and size of business of the Company.

Auditor's Name	Certified Public Account Number	Number of years the auditor has signed the Company's financial statements
Mr.Chavala Tienpasertkij	4301	3 Years (Year 2014-2016)
Dr. Suwatchai Meakhaamnouychai	6638	Has never signed the Company's financial statements
Mr. Wonlop Vilaivaravit	6797	Has never signed the Company's financial statements
Mrs. Nisakorn Songmanee	5035	Has never signed the Company's financial statements

8. Audit Committee Self-Assessment

The Committee conducted a self-assessment to review and evaluate its performance by benchmarking it against the Audit Committee Charter and best practice guidelines. The review concluded that the Audit Committee's performance complete 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 2016. 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 2016 are prepared in line with generally accepted accounting principles and relevant rules and regulations.



Mr. Foong Hock Meng
Chairman of the Board



Mr. Chih - Hung Lin
Chief Operating Officer

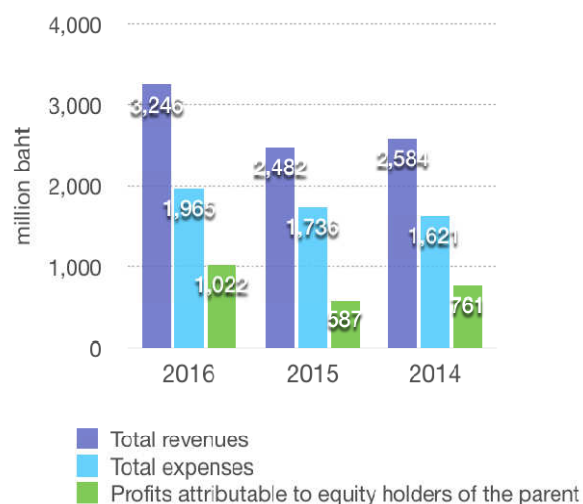


Ms. Khunmira Thunnom
Executive Vice President
Finance & Accounting Department

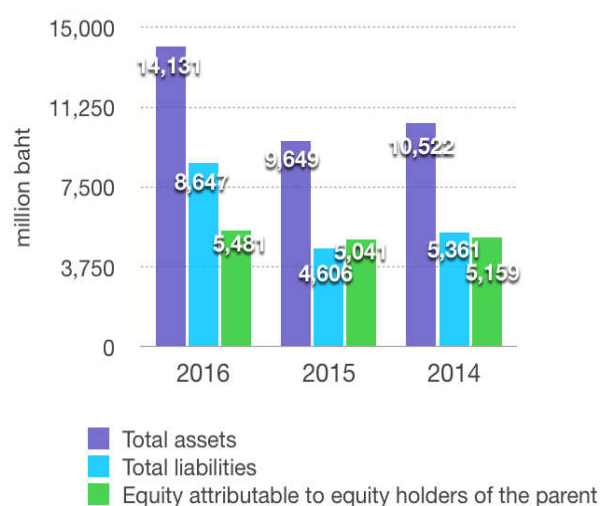
Financial Highlights

Consolidated financial statements	Y 2016	Y 2015	Y2014
Total revenues (Bhat million)	3,245.86	2,481.95	2,583.64
Total expenses (Bhat million)	1,964.91	1,736.24	1,620.78
Profits (attributable to equity holders of the parent) (Baht million)	1,022.37	587.22	761.34
Total assets (Baht million)	14,130.73	9,649.30	10,522.44
Total liabilities (Baht million)	8,647.07	4,606.00	5,361.33
Equity attributable to equity holders of the parent (Baht million)	5,480.53	5,040.59	5,158.52
Gross Profit Margin (%)	85.38%	81.08%	86.05%
Net Profit Margin (%)	31.50%	23.66%	29.47%
Return to equity (%)	19.43%	11.52%	14.83%

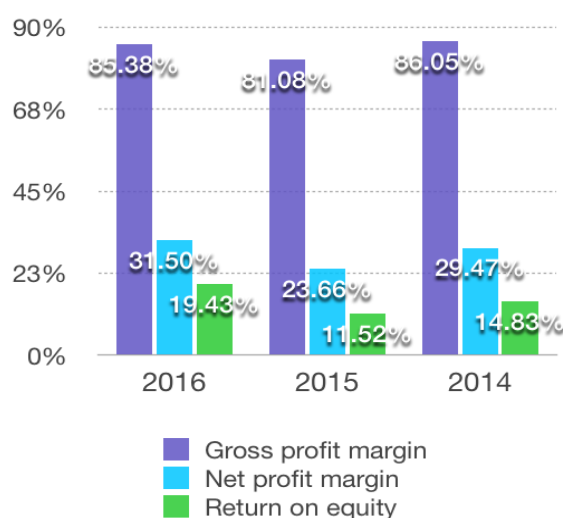
Operating Result



Financial Position



Profitability Ratio



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. 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 form 56-1.

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 2016, 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) Thaniya 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 achievements were as follows:

- The first securities company to act as a principal and agent of SBL services
- The first securities company to provide OTC Derivatives services
- The first and only securities company to act 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 to provide 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 under 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.

ACCOLADES

2548 / 2005 **SET AWARD, MAI Newly Listed STAR (Financial Advisor)**

2549 / 2006 **THE ASSET BENCHMARK SURVEY, Best Corporate Bond House (Thailand Baht)**
TFEX BEST AWARDS, Best House of the Year and Most Active House

2550 / 2007 **THAI BMA AWARDS, Best Bond Securities Firm**

2552 / 2009 **THAI BMA AWARDS, Best Bond Securities Firm**
SET CONGRATULATIONS, The Company became the first securities company in Thailand to launch Derivative Warrants

2553 / 2010 **THAI BMA AWARDS, Best Bond Securities Firm**
TFEX BEST AWARDS, Most Active House

2554 / 2011 **TFEX PROP-TRADING CHAMPION, Most Growth Trader and TFEX Best Trader**

2555 / 2012 **THAI BMA AWARDS, Best Bond Securities Firm**
TFEX PROP-TRADING CHAMPION, Most Growth Champion

2556 / 2013 **THAI BMA AWARDS, Best Bond Securities Firm**
TFEX BEST AWARDS, Most Active House and Prop-Trading of the Year (1st place)
and Market Maker Best Performance for Equity Product and Agent of the Year (3rd place)

2557 / 2014 **THAI BMA AWARDS, Best Bond Securities Firm**
TFEX BEST AWARDS, Most Active House and Prop-Trading of the Year (1st place)
and Market Maker Best Performance for Equity Product
SET AWARD, Outstanding Derivatives House

2558 / 2015 **THAI BMA AWARDS, Best Bond Securities Firm**
TFEX BEST AWARDS, TFEX Most Active House and Prop-Trading of the Year (1st place) and Agent of the Year (1st place)
SET AWARD, Outstanding Derivatives House

2559 / 2016 **THAI BMA AWARDS, Best Bond Securities Firm**
SET AWARD, Best Derivatives House Award

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. It became a publicly listed company on the SET on 15th December 1989.

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. Subsequently, the Company changed its name to “KGI Securities (Thailand) Public Company Limited” on 25th May 2001.

In 2012, SEC granted China Development Financial Holding Corporation (“CDFH”), a financial holding company in Taiwan, approval for a waiver to make the mandatory tender offer when it purchased KGI Securities Co. Ltd. (“KGI Taiwan”). KGI Taiwan is the direct major shareholder of Richpoint Company Limited (“Richpoint”), which was then the direct major shareholder of the Company, owning approximately 34.97% of the Company’s shares.

In 2015, as part of the KGI group’s shareholding restructure, Richpoint transferred its entire shareholding in the Company to KGI Asia (Holdings) Pte. Ltd., a company incorporated under the laws of Singapore in which KGI Taiwan indirectly owns its entire equity interest. After the restructure, the direct major shareholder of the Company was changed from Richpoint to KGI Asia (Holdings) Pte. Ltd. Such change will not affect the management and control of the Company.

Significant Developments in 2016

April 2016 The Annual General Meeting of Shareholders of the Company No. 1/2016 approved an increase to the maximum outstanding issue size of all Derivative Warrants (“DW”) issued by the Company at any time, from not exceeding Baht 1,000 million to not exceeding Baht 2,000 million.

May 2016 The Company’s Board of Director acknowledged the resignation of Mr. Wei Chang Fang, as Chief Operating Officer and director of the Company, and approved the appointment of Mr. Chih - Hung Lin, a director, as the new Chief Operating Officer of the Company. Mr. Chih - Hung Lin received approval from the SEC on 18th May 2016.

May 2016 The Company’s Board of Director approved the change of authorized directors of the Company as follows:

Before change	After change
1. Mr. Wei Chang Fang	1. Mr. Chih - Hung Lin
2. Ms. Bee Leng Ooi	2. Ms. Bee Leng Ooi
3. Ms. Suchada Sodthibhaphkul	3. Ms. Suchada Sodthibhaphkul

Note: Any two of these directors jointly signing will bind the Company.

July 2016 TRIS Rating upgraded the company rating of the Company to “A-” from “BBB+” with the Rating Outlook as “stable”. The upgraded rating reflects continual improvement in the Company’s business stability and diversification.

November 2016 The Company’s Board of Director approved the appointment of Mr. Shaw - Tzeng Ding as a replacement Director. Mr Shaw - Tzeng Ding received approval from the SEC on 16th Nov 2016.

November 2016

The Company approved the appointment of Ms. Suchada Sodthibhaphkul as the Executive Director of the Company for the third year for the period November 2016 - October 2017. Ms. Suchada Sodthibhaphkul is responsible for managing the Risk function of the Company, including being responsible for and approving all risk matters and will also be a member of the Risk Management Committee and all its sub-committees as well as the Debt Recovery Committee and the Human Resource Committee.

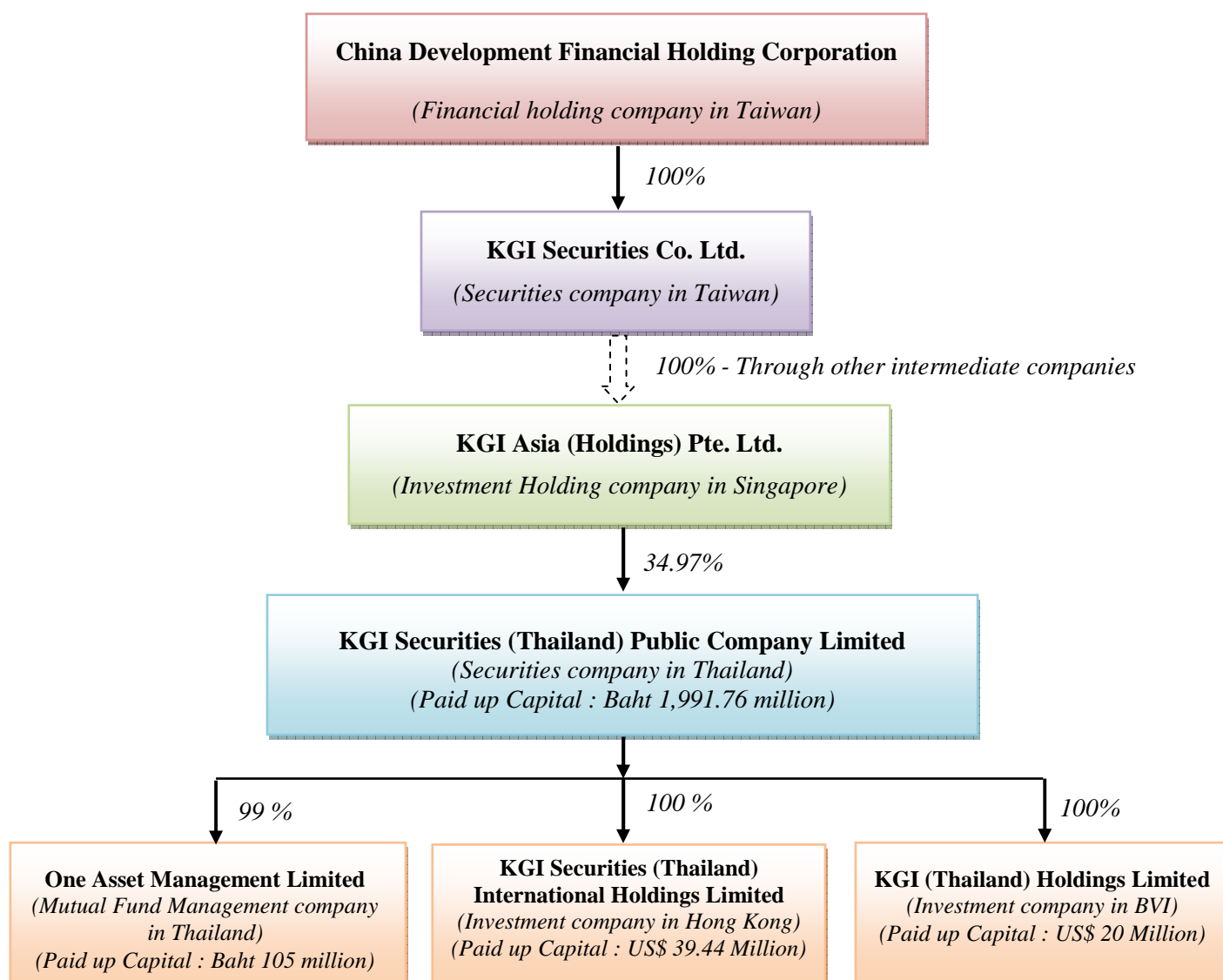
February 2017

The Company won Best Derivatives House Award from SET AWARD 2016 and Best Bond Securities Firm Award from THAI BMA AWARDS 2016.

1.3 The Company's Shareholding Structure

KGI Asia (Holdings) Pte. Ltd. is the direct major shareholder of the Company, ownings approximately 34.97% of the Company's shares. KGI Asia (Holdings) Pte. Ltd, an investment holding company incorporated under the laws of Singapore, is an indirect wholly-owned subsidiary of KGI Securities Co. Ltd. ("KGI Taiwan") and KGI Taiwan itself is a wholly-owned subsidiary of China Development Financial Holding Corporation ("CDFH") respectively.

Shareholding Structure of KGI Securities (Thailand) Public Company Limited



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 overseas in future.

In 2016, the Company’s total revenues of Baht 3,246 million, of which contribution from ONEAM accounted for 16.75%. The information of the Company’s subsidiaries are as follows:

Subsidiaries As of 31 st December 2016	Country of Incorporation	Business Type	% holding	Revenues as a percentage to the consolidated totals (%)
One Asset Management Limited (“ONEAM”)	Thailand	Fund Management	99	16.75
KGI Securities (Thailand) International Holdings Limited (“HOLDCO”)	Hong Kong	Investment	100	-
KGI (Thailand) Holdings Limited (“KTHL”)	British Virgin Islands	Investment	100	-

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 2016, ONEAM has its registered capital of Baht 105 million (fully paid-up) with KGI Securities (Thailand) Public Company Limited holding 99.11%, ONEAM’s directors and employees holding 0.89% of outstanding shares.

ONEAM has all of the necessary licenses to operate its current businesses such as Boutique Asset Management (Securities Business Type C, Derivative License and Trust Business License which cover businesses of mutual fund management, private fund management, provident fund management, brokerage and dealing of investment units, investment advisory services, derivative fund manager, trustee and REIT manager. ONEAM also has detailed procedures and an operation manual for all staff who interact with clients to ensure the suitability of all products and advice given to clients. These procedures are in line with Thai regulatory requirements (SEC /AMLO).

The mutual funds under ONEAM

- | | |
|-----------------------------------|--------------------------------|
| 1. Equity Fund | 7. Fund of Funds |
| 2. Fixed Income Fund | 8. Exchange Trade Fund (“ETF”) |
| 3. Mixed Fund | 9. Sector Fund |
| 4. Money Market Fund | 10. Foreign Investment Fund |
| 5. Retirement Mutual Fund (“RMF”) | 11. Property Fund |
| 6. Long Term Equity Fund (“LTF”) | 12. Country Fund |

B. KGI Securities (Thailand) International Holdings Limited (“HOLDCO”)

Formerly known as “KGI Securities One International Holdings Limited”, it is 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”), is 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

China Development Financial Holding Corporation (“CDFH”), a financial holding company in Taiwan, was established in 2001. CDFH has 3 key subsidiaries, 1) China Development Industrial Bank (“CDIB”), 2) KGI Bank and 3) KGI Securities Co. Ltd (“KGI Taiwan”). CDFH holds a leading position in the venture capital market and investment banking business in Taiwan.

KGI Taiwan, a wholly-owned subsidiaries of CDFH, is a securities company that is a market leader in a range of areas including brokerage, proprietary trading, underwriting, fixed income, and a variety of derivatives product.

KGI Taiwan has provided valuable assistance to the Company via transfer of knowledge and technology, and 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.

There are 4 representative directors from major shareholder, which is equivalent to 1/3 of all directors and proper with the portion of share holding. The Company also appointed 4 independent directors which is equivalents to 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.

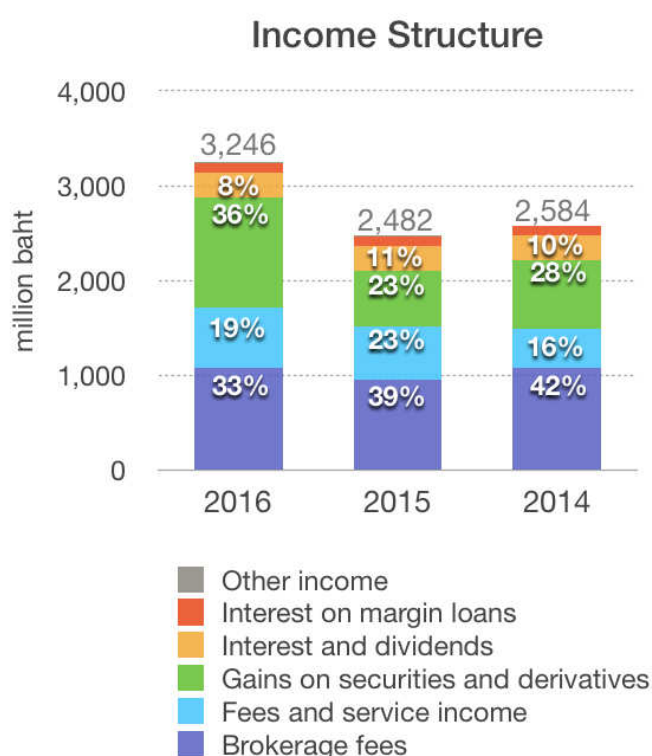
2. Business Lines

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. (see Note of financial Statements no. 36 : Segment Information)

In 2016, the Company reported consolidated revenues of Baht 3,246 million, increased from Baht 2,482 million in 2015, representing a 31 percent increasing.

In 2016, the majority of the Company’s income came from Gains on securities and derivatives of 36%, Brokerage fees of 33%, Fees and service Income of 19%, the rest is interest and dividends, interest in margin loan and other income.



Comparative Income Structure for the past 3 years

Income Structure	Operated By	% Share Holding by the Company	2016 (Baht million)	%	2015 (Baht million)	%	2014 (Baht million)	%
1. Brokerage fees	The Company	-	1,085.35	33.44%	957.37	38.57%	1,084.14	41.96%
2. Fees and service income /1	The Company	-	90.90	2.80%	81.44	3.28%	38.11	1.48%
Fees and service income /1	ONEAM/2	99%	538.35	16.59%	481.25	19.39%	367.99	14.24%
3. Gains on securities and derivatives	The Company	-	1,164.84	35.89%	578.43	23.31%	728.92	28.21%
Gains on securities	KTHL /3	100%	-	-	-	-	0.74	0.03%
4. Interest and dividends	The Company	-	255.76	7.88%	257.66	10.38%	257.76	9.98%
Interest and dividends	ONEAM/2	99%	4.93	0.15%	4.80	0.19%	4.84	0.19%
5. Interest on margin loans	The Company	-	99.41	3.06%	100.26	4.04%	89.19	3.45%
6. Other Income	The Company	-	5.81	0.18%	17.84	0.72%	6.31	0.24%
Other Income	ONEAM/2	99%	0.49	0.02%	2.89	0.12%	5.64	0.22%
TOTAL INCOME			3,245.86	100.00%	2,481.95	100.00%	2,583.64	100.00%

Note /1 See note of financial statements No. 28 : Fees and Service 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. The Company's research department produces highly respected institutional level research and analyses 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. In 2016, the Company ranked No.10 in terms of brokerage market share with an overall share of 3.76%.

Clients can choose to open 3 types of account; Cash Account, Cash Balance Account, and Credit Balance Account. And clients can also choose 2 trading channel; Trading via Investment Consultants or Trading via internet. The commission for internet trading is lower than commission for Trading via Investment Consultants.

In 2015, the Company has launched "KGI POWER TRADE", a new application for cell phones which the Company has developed for clients. Using the latest technology, KGI POWER TRADE is available on both Android and IOS operating systems (iPhone and iPad). It incorporates a fast, intuitive touch screen and supports multi-market trading of both securities and derivatives.

Furthermore, the Company has developed KGI POWER TRADE web-based version in 2016, which is available on both Window and OS X, and also provide more advance features to serve clients' needs.

KGI POWER TRADE (Web version) highlight features include;

Auto Trade:	Automatically sends order with many kinds of condition
Ladder Order:	Only one click for sending order faster and easier
Order Folder:	Stores expected orders and send at once
Scan & Ranking:	Scan stock for many conditions
1-Min Ticker:	Provided 10 ranking stocks which has the most volume or deals in 1 minute
DW Strategy:	Function for Derivative Warrant with strategy to select the best DW
Options Lotto:	Function for Options trading and calculate the best option with right period
Odd & Big lot:	Easier to see realtime odd lot and big lot pricing
News & Chart:	Investment news and realtime technical chart

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). Prior the start of Futures trading on 28th April 2006.

Currently, the Company allows clients to trade on the following derivative products:

- SET50 Index Futures
- SET50 Index Options
- Single Stock Futures
- Gold Futures
- Brent Crude Oil Futures
- Interest Rate Futures
- Currency Futures
- Sector Futures
- RSS3 Futures

Besides Futures retail brokerage, the Company's Proprietary Trading Department also trades futures and acts as a Market Maker of SET50 Index Options, Gold Futures, and Brent Crude Oil Futures in Thailand Futures Exchange (TFEX) and Stock Exchange of Thailand. Furthermore, the Company provides Block Trade in Single Stock Futures to facilitate customers.

In 2016, the Company ranked No. 1 in futures trading volume with a market share of 12.59% of the TFEX market.

2.1.3 Securities Trading Business

The Company's 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 monitored by a stringent risk control system. These controls have engendered a strong culture of discipline among the Company's proprietary traders and have eliminated to the highest degree possible, the potential for mistrades.

The Company's securities trading activity includes equity securities, derivatives and fixed income. The Company's investment portfolio is one of the largest in the industry. As of 31st December 2016, the Company had investments-net of Baht 5,415 million, compared with Baht 2,308 million at the end of 2015. The Company's investment portfolio are 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. Securities trader 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 2016, Thailand's stock index fluctuated. The index had continued to decline from the end of 2015 to close at its lowest point at 1,224.83 points in mid-January. However, due with greater political stability and clear progress on government spending for mega infrastructure projects as well as positive trends in global and regional stock markets, the index rallied to close at 1,542.94 points at the end of 2016.

In 2016, there were 27 new listings on the stock exchanges; 10 were listed in the SET and 13 listed in the MAI, 4 were Property Funds and Infrastructure Funds, with total issue size of Baht 52,781 million and Market Capitalisation at IPO Price of Baht 157,766 million.

Total Number of all Listed Companies in 2016

Year	Total Number of Listed Companies					Issued Size (Million Baht)	Market Capital at IPO Price (Million Baht)
	SET	MAI	IFF	PFUND/ REIT	Total		
2016	10	13	-	4	27	52,781.08	157,766.41

In 2016, the Company acted as the Lead Underwriter of two IPOs including AMA Marines Plc with the IPO issue size of Baht 1,079 million and ASN Broker Plc, with IPO size of Baht 180 million. In addition, the Company acted as joint lead manager for one IPO, TPBI Plc and as sub-underwriter on ten IPOs.

In addition, the Company was appointed as a Financial Advisor and Lead Underwriter on 15 IPOs which are still in progress. The Company also successfully performed a financial advisory role for fund raising through both debt and equity, equity-link for both listed and non-listed 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 can 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 2016, 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 12.27% compared with 13.45% in 2015.

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 2016, 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 approval from SEC to be a Sales Agent in investment units of mutual funds on 16th January 2002. As of 31st December 2016, the Company was appointed as a Sales Agent in investment units of mutual funds by 20 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. Local Institutional Lenders and Borrowers, 2. Foreign Institutional Borrowers, 3. Retail Lenders and Borrowers. This service will help increase liquidity and price stability to the Thai capital market and also support other businesses within the Company.

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 consistently invested in the pricing and risk management platforms for issuing and trading of derivatives products. The major shareholder, the KGI Taiwan, has also provided the support in term of knowledge transfer, international experience, and technology to the Company. The Company provides products are as follows:

1. OTC Equity Derivatives

OTC Equity Derivatives products are tailor-made, and designed upon clients' requests. OTC Equity Derivatives are commonly used among local and foreign institutional clients, including Private Funds with the purpose of risk management and leveraging. The Company provides various types of OTC Equity Derivatives, including basic and exotic options, and such variety of products will offer high flexibility for clients to create their risk profile to match with their investment objectives.

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, private funds, and high net worth investors 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 SET50 listed stocks, SET 50 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) with 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.

The Company has focused on expanding its client base and awareness of ETFs through investor education which ranged from basic education up to advance ETF investment strategy in order to be one of their choices of investment to gain a return of the market. 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 31 st Dec 16
1.ThaiDEX SET50 ETF	TDEX	SET50 index	6 Sep 2007	MM, PD	2,332.75
2.W.I.S.E. KTAM CSI 300 China Tracker	CHINA	W.I.S.E. -CSI 300 China Tracker	22 Nov 2010	PD	151.87
3.KTAM Gold ETF Tracker	GLD	SPDR Gold Trust (2840:HK)	8 Aug 2011	PD	336.46
4.ThaiDEX SET High Dividend ETF	1DIV	SET High Dividend 30 Index	16 Aug 2011	MM, PD	58.53
5.ThaiDEX SET100 ETF	TH100	SET100 index	21 Feb 2013	MM, PD	18.41
6.KTAM SET50 ETF Tracker	ESET50	SET50 index	26 Mar 2014	MM, PD	56.29

2.1.13 Derivative Warrants Business

Derivative Warrants ("DW"), are financial instruments that the issuers give rights to the buyers to buy or sell 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 2016, the Company launched 248 DWs which were received a great response from investors. The total registered amount for all 248 DWs was approximately Baht 19,000 million. From 2009 to the end of 2016, the Company has launched a total of 1,053 DWs as detailed below;

Year	2009	2010	2011	2012	2013	2014	2015	2016	Total
Total DWs issued by the Company	3	21	114	105	121	205	236	248	1,053
-CALL Warrant	3	21	87	73	96	163	178	194	815
-PUT Warrant	-	-	27	32	25	42	58	54	238

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 2017, the Company plans to launch up to 275 more DWs linked to leading stocks, and plans to launch DWs with new underlying securities as approved by regulators.

While investing in DWs becomes well known among investors, the Company consistently educate investors to ensure their understanding of risk and product features.. The DW education was provided through many channels such as www.thaiwarrant.com (both Thai & English version), Facebook(www.facebook.com/ed.kgi), Line Official Account (Line ID: @DW13), newspapers, interviews and print media. For investors who are interested in DW, all information is provided through www.thaiwarrant.com. (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: ONEAM)

In 2016, ONEAM's net profits were Baht 138 million (EPS of Baht 13.14) As of 31st December 2016, ONEAM's total assets were Baht 455 million, total liabilities were 100 million, shareholders' equity was Baht 355 million. ONEAM has built a strong reputation with both individual and institutional investors. In 2016, ONEAM received Most Innovative Fund House Thailand from Global Business Outlook Awards 2016 and as of 31st December 2016, ONEAM had total assets under management of Baht 102.52 billion. In 2016, ONEAM issued 9 new funds as follows:

	FUND	Registered date	AUM-Baht Million as of 31 Dec 2016
1	ONE-EUROPE	28 January 2016	75.37
2	ONE-HOSPITAL	18 March 2016	333.35
3	ONE-ACT	12 May 2016	403.31
4	ONE-UGG (Transferred funds from Maybank Asset Management Co., Ltd.)	1 July 2016	136.29
5	ONE-ACT70LTF	30 September 2016	20.22
6	ONE-ENHANCED2Y	20 October 2016	840.59
7	ONE-FIN3Y	17 November 2016	807.59
8	ONE-SHARIAHLTF	21 November 2016	8.00
9	ONE-UGERMF	21 December 2016	3.35
	Total		2,628.07

2.2 MARKET OVERVIEW AND COMPETITION

(A) Significant Marketing Activities

The Company's marketing policy in 2016

The Company's marketing policy is to maintain existing clients and acquire new clients by organizing promotional activities and focusing on giving better service to clients. In 2016, the Company held the following marketing activities:

1. The Company regularly arranges training to enhance the knowledge and skills of its employees. This helps the employees better meet the needs of its clients.
2. The Company regularly develops its trading system to make it fast and efficient and able to support growth of business. In 2016, the Company launched "KGI POWER TRADE", a web-based version which the company developed for clients to use on both Window and OS X systems. It incorporates a fast and supports trading of both securities and derivatives.
3. The Company joined the exhibition with ASSOCIATION OF THAI SECURITIES COMPANIES (ASCO) at "Investment Innovations by Securities Companies", TFEX Open House, to introduce the Company's product and services.
4. 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. In 2016, the Company held the following seminars to educate clients:

January 2016	Topic "How to use KGI POWER TRADE and Bisnews Liberty Pro"
February 2016	Topic "How to use KGI POWER TRADE and Aspen for Browser "

April 2016	Topic "How to Choose the right stocks to invest with KGI"
June 2016	Topic "Investment planning in the second half of 2016 and How to use KGI POWER TRADE "
July 2016	Topic "How to use KGI POWER TRADE and Aspen Basic Technical "
August 2016	Topic "Thai Market Trend Q3 and How to use KGI POWER TRADE"
September 2016	Topic "How to use KGI POWER TRADE and Efin Stock Pickup"
October 2016	Topic "How to use KGI POWER TRADE and Aspen Basic Technical"
December 2016	Topic "Trading Tip for taking profit by KGI Auto Trade"

5. Launched marketing campaign. In 2016, the Company launched the marketing campaign "Train & Trade DW13" giving participants the chance to win 1,000,000 Baht. The purpose of this campaign was to give clients a better understanding of DW trading.

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 2016, the Company's Trading Volume consisted 8% Local corporate clients, 57% Local retail clients, 1% foreign clients and 34% the Company's portfolio, 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 trade by themselves through the internet. In 2016, the portion of trading via Investment Consultants: trading via internet was 37%: 63%.

Information of the Company's clients in past 3 years

Unit : Baht Millions

Average Daily Trading Volume	2016	%	2015	%	2014	%
Daily Trading Volume- SET*	52,526		44,302		45,466	
Daily Trading Volume- The Company * (including the Company's portfolio)	5,360		4,466		4,636	
The Company's market share % (excluding the Company's portfolio)	3.76%		3.88%		4.28%	
Ranking	10		9		7	
Breakdown by types of clients						
1) Local corporate clients	435	8	380	9	376	8
2) Local retail clients	3,060	57	2,702	61	3,050	66
3) Foreign clients	42	1	34	1	124	3
Total	3,537	66	3,116	70	3,550	77
4) The Company's portfolio	1,823	34	1,350	30	1,086	23
Total	5,360	100	4,466	100	4,636	100
Breakdown by types of accounts						
1) Cash Account and Cash Balance Account	2,856	81	2,575	83	2,974	84
2) Credit balance account	681	19	541	17	576	16
Total	3,537	100	3,116	100	3,550	100
Breakdown by types of trading order channels						
1) Trading via Investment Consutants	1,308	37	1,012	32	1,253	35
2) Trading via internet trading	2,229	63	2,104	68	2,297	65
Total	3,537	100	3,116	100	3,550	100

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

(B) Market Overview and Competition in 2016

The major trend of Thai stock market in 2016 was positive, due mainly to i) a significant recovery in oil prices, which supported the large-cap energy sector, ii) strong foreign equity inflows into Asian and Thai stock markets during the third quarter as investors fled from European stock markets and iii) solid domestic economic figures released during the year and continued bright outlook for 2017.

During the first quarter of 2016, the SET Index recovered noticeably from its low closing base in fourth quarter of 2015, as oil prices rebounded, due to more balanced demand and supply conditions, and market sentiment in Chinese stock market improved following very cautious phase in the late of 2015. External factors were also supportive, as US central bank hinted that the interest rate hike should be delayed.

The Thai market consolidated, traded with more volatility in the second quarter, as concerns on drought on domestic economy returned alongside lower than usual rainfalls. More importantly, global market conditions weakened as investors were worried about the Britain's referendum to leave the European Union, held in June 2016. As widely known, the British voted to leave the European Union, but the actual exit may need about one to two years from the referendum vote.

A bullish stock market rallies returned in the third quarter, and the SET Index made its 2016 high in August 2016. Foreign investors apparently moved their investment flows from the West, due to possible consequence from Britain's decision to leave the European Union and also weak US dollar during the quarter, to Asian markets. Thailand also received a large amount of foreign inflows as a result.

In the fourth quarter of 2016, the SET Index staged a moderate correction due to a severe fluctuation in foreign equity flows following the unexpected win of Donald J.Trump as the new US president. His election campaigns calling for US centric growth and higher trade protectionism, plus the market expectation for US central bank to raise short-term interest rate in December 2016, pushed up the US dollar and also US treasury yields. As a result, Asian and Thai currencies weakened significantly during the quarter, driving and foreigner sold down in the equity markets.

Regarding Thai economic perspectives, the GDP growth in 2016 has so far slightly been stronger than that in 2015, as private consumption growth was resilient and trade balance was in large amount of surplus. Thai economy grew 3.2% YoY in the first quarter, before accelerating to 3.5% YoY in the second quarter partly on the government stimulus package on property market launched during the quarter. The GDP growth moderated to 3.2% YoY in the third quarter as government spending was slightly slower than originally planned. In December 2016, meanwhile, the Thai cabinet launched a few more packages to support the economy; for examples, domestic tourism package and year-end shopping packages that purchasers can deduct personal income tax from the shopping receipts.

Stock Exchange of Thailand

	2016	2015	2014
Total trading value (Baht million)*	12,816,259	10,765,470	11,139,291
Average daily trading value (Baht million)*	52,526	44,302	45,466
Total market capitalization (Baht million)	15,079,272	12,282,755	13,856,283
SET Index (year-end)	1,542.94	1,288.02	1,497.67
Dividend Yield (%)	3.0	3.4	2.9
P/E ratio (times)	18.6	22.6	17.8
P/BV ratio (times)	2.0	1.7	2.1
No. of listed companies	522	517	502

*including MAI

For the whole 2016, the SET Index staged an impressive rally of 19.8% to close the year at 1,542.94 pts. The daily average market turnover (both SET and MAI) stood at Baht 52.5 billion, increasing by 18.5% from Baht 44.3 billion in 2015. Foreign investors reported a moderate net buying position of Baht 78.0

billion in 2016, compared to a large degree of foreign net selling of Baht 154.3 billion during 2015. The market capitalization increased to Baht 15.08 trillion at the end of 2016, rising by 22.8% from Baht 12.28 trillion at the end of 2015.

Regarding the new listings into the stock market, there were 23 new companies listed in Thailand's stock markets (both SET and MAI) in 2016, compared to 33 new listings in 2015. The key reason for fewer numbers of IPOs in 2016 was that overall stock market conditions in the first half of 2016 remained unfavorable. As evident in the information table below, most of the IPOs (17 out of 23 companies) in 2016 took place in the second half of the year.

IPO Stocks in 2016 (both SET and MAI)

Stock	First trading date	IPO size (Baht million)
GTB	23 Mar 16	300.00
TPBI	24 Mar 16	1,080.00
CHEWA	5 Apr 16	419.20
ASN	12 May 16	180.00
BM	17 May 16	288.00
NETBAY	16 Jun 16	160.00
ALT	4 Jul 16	1,175.00
BTW	11 Jul 16	585.00
BIZ	28 Jul 16	290.00
EKH	27 Jul 16	508.74
TM	31 Aug 16	240.00
RJH	27 Jul 16	1,199.84
ITEL	14 Sep 16	1,040.00
BCPG	28 Sep 16	5,900.00
SELIC	18 Oct 16	232.00
SQ	26 Oct 16	1,216.00
BPP	28 Oct 16	13,618.34
ALLA	8 Nov 16	432.00
COMAN	11 Nov 16	265.20
FN	14 Nov 16	970.00
TNR	29 Nov 16	600.00
AMA	22 Dec 16	1,078.92
AU	23 Dec 16	742.50

Source: SET and MAI

Competition among Thai Broker

Competition among Thai brokerage businesses remained intense, similar to the past few years. Although the market turnover increased by almost 20% from the year 2015 to Baht 52.5 billion, the liberalization of commission rates resulted in high degree of competition, from both domestic side and international brokers. The major players in foreign institutional business and retail business continued to share the top positions in 2016. For the year, the sum of the market share of the top 10 brokers was 49.17%, while the rest 50.83% of the pie were shared by non-top 10 brokers.

Top 10 securities broker of the Year 2016

Rank	Company Name	Name	Market Shares (%)
1	MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	MBKET	8.15
2	CIMB SECURITIES COMPANY LIMITED	CIMBS	6.01
3	FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED	FSS	5.61
4	PHATRA SECURITIES PUBLIC COMPANY LIMITED	PHATRA	4.81
5	BUALUANG SECURITIES PUBLIC COMPANY LIMITED	BLS	4.55
6	DBS VICKERS SECURITIES (THAILAND) LIMITED	DBSV	4.23
7	THANACHART SECURITIES PUBLIC COMPANY LIMITED	TNS	4.17
8	CREDIT SUISSE SECURITIES (THAILAND) LIMITED	CS	4.10
9	KASIKORN SECURITIES PUBLIC COMPANY LIMITED	KS	3.78
10	KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	KGI	3.76
TOP 10 BROKERS			49.17
OTHERS			50.83
Total			100.00

*including MAI

Industry Trend in 2017

Following a strong market performance in 2016, the Thai stock market is widely expected to extend more gains in 2017 but the magnitude of price return could be modest. Although the domestic economic and earnings fundamentals are likely to improve alongside i) infrastructure investment, ii) rising agricultural and farming prices and iii) brighter outlook on exports, there remain a few challenges on the Thai stock market in 2017 for examples i) relatively high stock market valuations following the rally in 2016 and ii) possible fluctuation in regional capital flows as the new US president's economic policies and further rise in US short-term interest rate could further boost the US dollar value. Given likely volatility, timely investment recommendation and bottom-up stock selection will remain key.

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

Investment Policy

The Board of Directors has approved an Investment Policy of Proprietary Trading (revised version), to comply with the SEC notification regarding the conditions and Procedures of the investment for Proprietary Trading. The policy went into effect 1st March 2014. The key points of the policy are as follows:

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 investments (Position Limit) and will be reviewed regularly to ensure that the limits are suitable to market conditions.

2. The Company's proprietary trading teams are responsible for securities 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 appropriate licenses 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.
6. Risk Management Department will report a Market Risk Summary Report to the Chief Operating Officer, and either the Head of Proprietary Trading Department, or the Head of Fixed Income Department as the case may be on a daily basis.

Credit Balance Policy

A Credit Balance account is used by investors who want to borrow money to buy securities; or to borrow securities for short selling. Prior to the buying of securities or short selling, the investor needs to create purchasing power by depositing cash or pledging securities as collateral. The Company will mark to market the valuation and the purchasing power of the investor will vary following the changing value of securities.

The Company specified that clients who want to open Credit Balance Account ("Margin Account") shall disclose to its Investment Consultant adequate personal information representing their 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 terms and conditions and risks in relation to the Margin Account. The Company's Credit Balance Policy is as follows:

1. The Company will not lend for securities trading to any person which the Company knows 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 a Suitability Test

In compliance with the regulation issued by the Office of SEC, in case where i) the Client does not cooperate or refuses to provide any information, or ii) the existing information is inadequate or not up to date. 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 liquidity, good fundamental, price volatility and relevant risk, etc. In addition, the Company will review the Marginable Securities list every month or when any significant market change in the marginable lists occurs and give notification to the Client as the Company deems appropriate on the Company's website.
4. The Company has imposed the Initial Margin Rate for all marginable securities and requirement for the Client to deposit cash or assets as their collateral before trading. In addition, the Company has set the Call Margin Rate and Force Sale Rate which is not lower than the rates prescribe by the SET and complies with the Company's internal regulations. The Company will require the Clients to add 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 the Margin Account, which complies with the regulation prescribed by the Office of SEC and/or the Company.

6. All cash, including benefit/return deposited with the Company, shall not be subject to the protection of the Financial Institutions Development Fund.

3. Risk Factors

3.1 Company's Business Risks

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

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 2016, 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 and local and foreign. One way is by developing the internet trading system to increase the number of internet trading clients.

3.1.3 Risk Associated with Human Resource

Human resource is a key factor for securities businesses. Losing a key member of the staff may affect the 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. To create career paths for the Company's staff, the Company has a clear policy with proper compensation 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 a better and safe working environment.

3.1.4 Risk of Renewal Premise Leasing Contract

Currently, the Company has leased the premise for its business operation either in head office or 16 branches for certain periods in many leasing contracts (except Supanburi Branch which the land and building belong to the Company). Therefore, the risk of contract renewal exists as well as the chance that rental fee will be adjusted by the lesser. However, most of the leasing contracts grant the Company the right to renew the leasing contract as long as the company complies with terms and conditions in the contract. The company has performed its duties under the leasing contracts as a good lessee and often gets renewal from the lessor. Considering rental fee adjustment which may affect the cost of business operations, 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 2016. 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 had developed the Asian Linkage system to make trading securities across countries easier.

3.1.6 Market Risk

Market risk refers to the risk that fluctuations in market trading volumes, share prices, and interest rates will directly impact the Company's revenues 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 potential losses resulting from market losses by setting stop loss limits and position limits that are appropriate to current market conditions.

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 market share. Therefore, the Company has a strategic 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 is also developing its research and expanding into new businesses to give more convenience to clients and offer investment alternatives.

3.1.8 Credit/Default 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 on 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.

3.1.9 Risk from Securities Investment and Return

Risk from securities investment and return is the risk that the Company may not get the return from investment 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 these on a regular basis to be consistent with market conditions.

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 appoints persons to be directors for setting the management policies of its subsidiaries.

3.1.11 Risk from Investment Banking Business

In operating an investment banking business, for 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 investors to not 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 to sell derivative products to clients. However, the Risk Management Committee has to approve the “Product Program” first before the Equity Derivatives Department can issue derivatives to clients. The focus of the Product Program include:

- 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 to launch Derivatives Warrants. The Company has a strict policy to control and monitor associated risk closely. Currently, the Company has total Limit for issuing Derivative Warrants of Baht 2,000 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 importance 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.

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

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 political unrest in 2010 or the major flooding in 2011.

To prevent the risk of natural disasters and other emergencies, The Company has set up the Business Continuity Management Policy (“BCM”) and prepared the Business Continuity Plan (“BCP”) which requires 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 Liquid Capital and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Liquid Capital 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 2016, the Company has a Net Liquid Capital of Baht 4,066 million and a Net Capital Ratio of 59% 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 2016, 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.

As at 31st December 2016, the Company and its subsidiaries have not entered into any forward exchange contracts to manage its foreign exchange 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 rates that fluctuate in line with the market interest rates or carry fixed interest rates which is approximate to the current market interest rate, at present the Company and its subsidiaries do not hedge risk using Interest Rate Swaps.

3.3 Risk Affecting the Rights of Shareholders

3.3.1 Risk From Having Major Shareholder

KGI Asia (Holdings) Pte. Ltd. (100% owned by KGI Securities Company Limited, Taiwan), is the Company's major shareholder, owning approximately 34.97% of the Company's paid up shares as of 31st October 2016 (the latest 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 fair for all shareholders.

3.3.2 Risk from Having a Non-Voting Depository Receipts (NVDRs)

Since 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 31st October 2016, investors had bought 135,440,413 NVDRs shares (equivalent to 6.80% of paid-up capital).

3.3.3 Risk Associated with Low Free Float Stock or Low Trading Liquidity

As of 31st October 2016, 65% of KGI stock was held by minority shareholders, which makes trading liquidity high and this means less risk that investors would be unable to trade at a desired price.

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 2016)	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	72,041	Company's asset	None
Furniture and fixtures	7,197	Company's asset	None
Vehicles	-	Company's asset	None
Installation in progress	1,364	Company's asset	None
Total	82,422		

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

Description (As of December 31 st 2016)	Net book value (Thousand Baht)	Ownership	Collateral/obligation
Building improvements	10,130	Subsidiary's asset	None
Equipment	8,263	Subsidiary's asset	None
Furniture and fixtures	2,991	Subsidiary's asset	None
Vehicles	3,660	Subsidiary's asset	None
Total	25,044		

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 2016	
1. Head office	City Realty Co.,Ltd.	4 years	1 month
2. Hat Yai branch	Lee Gardens Hotel Co., Ltd.	3 years	
3. Nakhon Ratchasima branch	K.R.Shopping Center Co.,Ltd.		11 months
4. Samut Sakhon branch	A.T. Asset Co., Ltd.	2 years	6 months
5. Nakhon Sawan branch	Individual		8 months
6. Pinklao branch	CPN Retail Growth Leasehold Property Fund	2 years	9 months
7. Nakhon Pathom branch	Individual		6 months
8. Chiang Rai branch	Individual		6 months
9. Phetchaburi branch	Individual	1 year	
10. Udon Thani branch	Individual		2 months
11. Changwattana branch	Na-Nakorn Estate Co.,Ltd.		6 months
12. Thapra branch	The Mall Shopping Complex Co.,Ltd.	1 year	
13. Thaniya branch	Thaniya Real Estate Co.,Ltd	1 year	4 months
14. Silom Complex branch	Silom Building and Service Co., Ltd.	2 years	4 months
15. Pracha Chuen branch	Individual	1 year	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 2016	
Head office	Siam Piwat Co.,Ltd.	2 years	11 months

4.3 Intangible Assets and Goodwill

As of 31st December 2016, the Company's intangible assets were Baht 67 million (comprising computer software which has useful lives for 5 and 7 years of Baht 53 million and Computer software under development of Baht 14 million). The Company's goodwill was Baht 27 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 2016, the Company's investment in subsidiary companies was Baht 2,550 million. (See details of investments in subsidiaries in Note to Financial Statements no.13)

5. Legal Cases

As of 31st December 2016, the Company and its subsidiaries had no litigation as follows:

- a) 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;
- b) which may significantly affect the Company or its subsidiaries which impact cannot yet quantified;
- c) 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) Information of companies that the Company holds more than 10% shareholding

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.
Address	The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
Telephone number	0 2009-9000
Fax number	0 2009-9991
Website	http://www.set.or.th/tsd
E-mail	SETContactCenter@set.or.th

Auditor

The following auditors of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (“Deloitte”) were the Company’s auditors for the 2016 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
Address	No. 11/1 , AIA Sathorn Tower , 23 rd - 27 th , South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120, Thailand	
Telephone number	66 (0) 2034-0000	
Fax number	66 (0) 2034-0100	
Website	http://www.deloitte.com	

6.2 Company Rating

In July 2016, TRIS Rating upgraded the company rating of the Company to “A-” from “BBB+” with “stable” outlook. The upgraded rating reflects continual improvement in the Company’s business stability and diversification. In addition, the rating reflects the explicit business support the Company receives from its major shareholder in Taiwan, KGI Securities Co., Ltd. (KGI Group). These strengths helped the Company earn its reputation as a leading creator of innovative products and gave it a proven track record of posting gains on proprietary trading.

Rating Symbols and Definitions

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

A: The rating indicates a company or a debt instrument with a low credit risk. The company has strong capacity to pay interest and repay principal on time, but is more susceptible to adverse changes in business, economic or other external conditions 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.

Information of the Company rating

Rating Agency	Date	Rating	Outlook
TRIS	27 th July 2016	A-	Stable
TRIS	23 rd July 2015	BBB+	Stable
TRIS	7 th July 2014	BBB+	Stable
TRIS	8 th July 2013	BBB+	Stable
TRIS	29 th June 2012	BBB+	Stable
TRIS	16 th June 2011	BBB+	Stable
TRIS	23 rd June 2010	BBB+	Stable
TRIS	29 th June 2009	BBB+	Stable
TRIS	18 th June 2008	BBB+	Stable
TRIS	6 th July 2007	BBB	Stable
TRIS	5 th July 2006	BBB	Stable
TRIS	3 rd February 2005	BBB	Stable
TRIS	23 rd January 2004	BBB	-
TRIS	6 th March 2003	BBB-	-

6.3 Risk management of derivative warrants issued

1. Objective of DW Issuing
To provide new investment products to investors and to diversify the Company's income
2. Hedging Strategy and Risk management

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 Put 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 has the same direction with the underlying stock of the DW.

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.

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 instilling a risk management culture to executives and employees.

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

A Net Liquid Capital and A Net Capital Ratio ("NCR")

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

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

6. Conflict of interest of DW issuing

In the case that the Company or its affiliates have conducted business and/or performed other duties 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 possess equivalent status as that of the normal client will have no right to receive information or research paper which other clients of the Company do not receive.

7. Guarantor of DW and associated contracts of DW Issuer (if any)

- None -

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 2016, 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 is listed on the Stock Exchange of Thailand as “KGI”.

7.2 The Company’s shareholders

Major Shareholders

KGI Asia (Holdings) Pte. Ltd. is the direct major shareholder of the Company, owning 34.97% of the Company’s shares. The Company’s top ten shareholders are as follows:

	List of Shareholders As of 31st October 2016 (the registration close book date)	No. of share	%
1	KGI ASIA (HOLDINGS) PTE. LTD ^{/1}	696,614,400	34.97%
2	Thai NVDR Company Limited	135,440,413	6.80%
3	Mr. Songsak Jitjeujun	63,200,000	3.17%
4	Dhipaya Insurance Public Company Limited	21,755,300	1.09%
5	EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	14,904,400	0.75%
6	Mr. Sopon Viraseranee	14,650,000	0.74%
7	Mr. Prapas Buranaosot	12,100,000	0.61%
8	Mrs. Benja Nantapichetkul	11,364,500	0.57%
9	EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	11,045,800	0.55%
10	Mrs. Preeyaporn Bhasavanich	10,370,400	0.52%
	Others	1,000,317,917	50.22%
	Total /2	1,991,763,130	100.00%

Note

- 1/ KGI Asia (Holdings) Pte. Ltd. is indirectly owned entirely by KGI Securities Company Limited (“KGI Taiwan”). KGI Taiwan itself is a wholly-owned subsidiary of China Development Financial Holdings Corporation (“CDFH”) respectively. (See Shareholding Structure of the group, page 11)
- 2/ As of 31st October 2016, the Company has free float of 65% of paid up capital. The Portion of shares held in Company of all Directors is not more than 25% of paid up capital. (see the Portion of shares held in the Company of directors, page 37)

7.3 Other Issue of Securities

As of 31st December 2016, the Company has not issued any Convertible Securities but has Promissory Notes of Baht 1,700 million, Bill of Exchange of Baht 1,399 million and Structure Notes of Baht 80 million. (See Notes of financial statements No. 19 Borrowings from financial institutions/Debts issued and borrowings)

7.4 Dividend Policy

The Company’s dividend policy

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.”

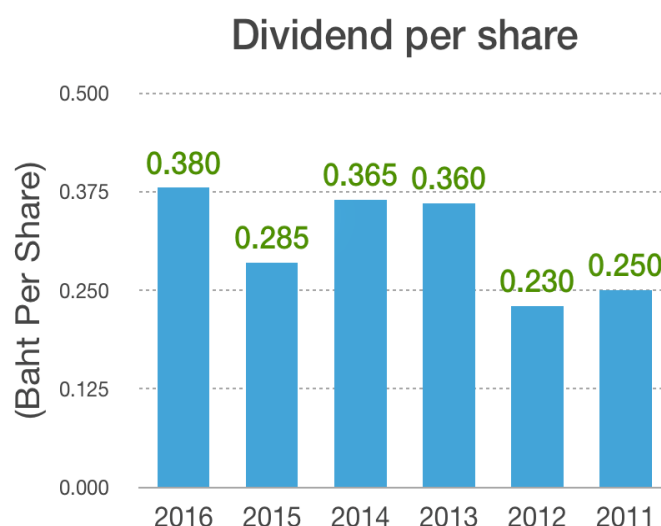
In 2016, the Company had separate financial statements profits of Baht 973 million and separate financial statements earnings per share of Baht 0.489. The Company has thoroughly considered the prevailing business conditions, outlook, investment opportunities, and other relevant factors. The Company has

sufficient cash flow to pay a dividend from the 2016 operating results of Baht 0.38 per share which is in-line with the Company's dividend policy. The proposed dividend is equivalent to a payout ratio of 78% of separate financial statements profits and amounts to approximately Baht 757 million. The proposed dividend will be paid on 9th May 2017 after obtaining approval from the Annual General Shareholders Meeting No. 1/2017.

5-Year dividend payment history (Y2011 – Y 2015) and current year dividend payment (Y2016)

Separate financial statements	Y2016	Y2015	Y2014	Y2013	Y2012	Y2011
Earnings per share (Baht per share)	0.489	0.288	0.368	0.363	0.232	0.278
Dividend per share (Baht per share)	0.380	0.285	0.365	0.360	0.230	0.250
Dividend payout ratio (% of separate financial statements profits)	78%	99%	99%	99%	99%	90%

Graph of Dividend Payment year 2011 – Year 2016 (Baht per share)



The Subsidiary's dividend policy (Subsidiary dividend is paid 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

8.1 The Board of Director and other committees

The Company's management structure has Board of Director and 12 committees, which are;

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

Board of Directors

As of 31st December 2016, the Board of Directors consisted of 12 persons. Each director has various qualifications, skills, experience, and expertise that are useful to the Company. The Board of Directors are as follows:

No.	Board of Directors	Board Position	Position in other committees									
			Portion of shares held in the Company (Direct and Indirect) (%)	Authorized Director /1	Independent Director /2	Audit Committee /2	Compensation Committee	Nomination Committee	Risk Management Committee	Debt Recovery Committee	Human Resource Committee	ESOP Committee
1.	Mr. Foong Hock Meng	Chairman	0.00%	-	-	-	-	-	-	-	-	-
2.	Dr. Pisit Leeahtam	Vice Chairman	0.00%	-	✓	✓	-	✓	-	-	-	-
3.	Dr. Don Bhasavanich	Director	0.00%	-	✓	✓	-	-	-	-	-	-
4.	Mr. Pradit Sawattananond	Director	0.00%	-	✓	✓	✓	✓	-	-	-	✓
5.	Mr. Picharn Kullavanijaya	Director	0.00%	-	✓	-	-	-	-	-	-	-
6.	Mr. Chih - Hung Lin	Director	0.00%	✓	-	-	-	-	✓	✓	✓	✓
7.	Ms. Bee Leng Ooi	Director	0.001%	✓	-	-	-	✓	✓	-	✓	✓
8.	Ms. Suchada Sodthibhaphkul ³	Director	0.00%	✓	-	-	-	-	✓	✓	✓	-
9.	Mr. Wisit Wongpaisan	Director	0.00%	-	-	-	-	✓	✓	-	-	-
10.	Ms. Pi - Lin Huang	Director	0.00%	-	-	-	-	-	-	-	-	-
11.	Mr. Yen, Chih-Chien	Director	0.00%	-	-	-	✓	-	-	-	-	-
12.	Mr. Shaw - Tzeng Ding	Director	0.00%	-	-	-	-	-	-	-	-	-
TOTAL			0.001%									

Note:

- 1/ Any two of these directors jointly signing will bind the Company.
- 2/ All independent directors and audit committees have fully qualification required by SEC and SET.
- 3/ The Company approved the appointment of Ms. Suchada Sodthibhaphkul, Authorized Director, as the Executive Director of the Company for the third year for the period November 2016 - October 2017. (under a Co-Management Contract pursuant to the SEC Notification topic Approval of Co-Management Contract of Securities Company No. Or Thor/Nor 9/2541)

Board Structure

- ☛ The Board of Directors consists of at least five persons but not more than 15 persons.
- ☛ The Board Structure has diversified skills, experience, and expertise that are useful to the Company.
- ☛ At least one non - executive director with prior working experience in the securities business.
- ☛ Independent directors shall make up 1/3 of all directors following the SEC's regulations.
- ☛ The representative directors from major shareholder shall be proper with the portion of shareholding.

As of 31st December 2016, the Board of Directors consisted of 12 persons (comprising non - executive director of 9 persons), most of the directors have experience in the securities business. There were four independent directors (1/3 of all directors) and four representative directors from major shareholder which is proportional to its shareholding.

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 as well as the resolutions of the shareholders' meeting, and are also authorised to carry on any activities as prescribed in the Memorandum or those related thereto. The Board also sets the goals, direction and strategy of the company as a whole;
2. The Board sets a written corporate governance policy for the Company and reviews the policy and compliance with the policy regularly, at least annually;
3. The Board ensures that a written code of business conduct be in place so that all Directors, Executives and employees understand business ethical standards of the Company;
4. 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 monitors compliance with regulations regarding criteria, procedures and disclosure of transactions with conflict of interests;
5. The Board ensures that an internal control system is in place, including control relating to financial, accuracy, compliance, and proper implementation of policies. 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 in the Company's Annual Report;
6. The Board set up committees to assist the Board to perform the Board's duties to ensure the effective functioning of the Board and the Board also determine the committees member and their duties and responsibilities;
7. The Board sets a Report of the Board of Directors' Responsibilities for Financial Reports;
8. 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 and monitor compliance with the policy;
9. The Board sets clear procedures on whistle blowing and ensures the Company has protective measures to keep the whistleblowers' names confidential. The reported incidents shall be investigated in accordance with the Company's set procedures;
10. The Board has 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.

Powers of the Board include:

1. To approve key business matters, such as strategy, financial targets, risks, major plans of action and budget and monitors the compliance of management with approved policies and plans;
2. To approve the capital expenditure that more than Baht 10 million;
3. To approve the payment or non-payment of dividend to the shareholders of the Company. And to propose to the shareholders for approval;
4. To approve the quarterly, half yearly, yearly financial statements, and proposes yearly financial statements and propose to the shareholders for approval;
5. To approve the re-election of Directors who retire by rotation and the Directors' remuneration and propose to the shareholders for approval;
6. To approve the appointment of new director, in the case there is vacancy among the Directors other than a retirement by rotation. (except in the event the period of time the Director is entitled to retain his office is less than 2 months);
7. To approve the appointment of Chief Operating Officer to manage the Company's business under the control of the Board of Directors;

8. To approve the appointment of the auditors and the auditing fee and propose to the shareholders for approval;
9. To approve the appointment and removal of the Company Secretary;
10. To approve the capital increase / reduction, the par value changes, changes in the Company's Memorandum and Articles of Association and propose to the shareholders for approval;
11. To approve any sale or transfer of the Company's business whether in whole or in substantial part to other person, any purchase or acceptance of a transfer of business of other public or private company, and any entering, amendment or termination of any agreement concerning the lease, in whole or in substantial part, of the Company's business, assigning any person to manage the Company's business, or merging with other person for the purpose of profit and loss sharing. And propose to the shareholders for approval;
12. To approve the establishment or liquidation of a Subsidiary;
13. To approve the acquisition and disposition of assets and the connected transaction of the Company according to the Securities and Exchange Commission Act.

Roles and responsibilities of the Board's Chairman

1. To be responsible for overseeing the administration of the Board of Directors to achieve the objectives as planned.
2. To be the chairman of the Board meetings and chairman of the Shareholder meetings;
3. In case of equality of votes at the Board of Director meetings, the Chairman shall have a casting vote.

Audit Committee

As of 31st December 2016, the Audit Committee was composed of 3 Independent Directors. All of the Independent Directors have attended director training programs at the Thai Institute of Directors Association ("IOD"). All 3 have adequate expertise and experience to review the creditability of financial reports. Ms. Rungthip Vanitchapan acts as the Secretary of the Audit Committee. (See information of each Audit Committee and Secretary of the Audit Committee in Attachment 1 and 3).

No.	Name	Position
1.	Dr. Pisit Leeahtam	Chairman of Audit Committee / Independent Director
2.	Dr. Don Bhasavanich	Audit Committee / Independent Director
3.	Mr. Pradit Sawattananond	Audit Committee / Independent Director

Scope of duties and responsibilities of the Audit Committee

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

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 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 2016, the Company's Compensation Committee consisted of 3 members as follows:

No.	Name	Position
1.	Mr. Yen, Chih-Chien	Compensation Committee Chairman
2.	Mr. Pradit Sawattananond	Compensation Committee Member / Independent Director
3.	Ms. Yuan - Chen Chiu	Compensation Committee Member

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 2016, the Company's Nomination Committee consisted of 4 members as follows:

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

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 for proposal to Board for approval.

Risk Management Committee

The Risk Management Committee consists of executives from both business units and support units. As of 31st December 2016, the members are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	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.	Mr. Suthep Rungsiam	Managing Director, Brokerage Business
7.	Ms. Jariya Posayajinda	Managing Director, Proprietary Trading Department
8.	Mr. Apichart Tungkiatsilp	Managing Director, Fixed Income Department
9.	Ms. Patchpon Sankaburanuruk	Managing Director, Investment Banking Department
10.	Mr. Jenvit Chinkulkitniwat	Managing Director, Equity Derivatives Department
11.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
12.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
13.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office
14.	Ms. Acharee Turongsomboon	Executive Vice President, Treasury Department
15.	Ms. Kannikar Pradiskesorn	Executive Vice President, Institutional Equity Business
16.	Ms. Nantararat Surakhaka	Executive Vice President, Legal & Compliance Department (Acting)
17.	Mr. Mark Antony Hodge	Senior Vice President, COO Office
18.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department
19.	Mr. Chi - Chih Huang	Assistant Vice President, Information Technology 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 those 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 approve Credit Evaluation Policy and Procedures.
7. To consider and approved credit limits according to Credit Evaluation Policy and Procedures
8. To consider and approve Credit Balance Policy

9. To consider and approve Business Continuity Management (“BCM”) and Business Continuity Plan (“BCP”);
10. 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: the members are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	Chief Operating Officer
2.	Ms. Suchada Sodthibhaphkul	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 Department
7.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department

Scope of duties and responsibilities of Credit Risk Sub-committee

1. To consider and approve credit limits;
2. To consider and approve Account Opening Policy and Procedures;
3. To consider and approve 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 Businesses Risk Sub-Committee: the members are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	Chief Operating Officer
2.	Mr. Wisit Wongpaisan	Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Suchada Sodthibhaphkul	Executive Director
5.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
6.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department

Scope of duties and responsibilities of Trading Businesses Risk Sub-committee

1. To consider and approve trading policies, including approval of the procedures of related businesses, such as REPO;
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 Business Risk Sub-committee: the members are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	Chief Operating Officer
2.	Mr. Wisit Wongpaisan	Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Suchada Sodthibhaphkul	Executive Director
5.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
6.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department

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

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

D) Information Technology Security Risk Sub-committee : the members are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	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. Rungthip Vanitchapan	Senior Vice President, Audit Department
6.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department
7.	Mr. Chi - Chih Huang	Assistant 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. To comment or advise on the risks relating to Information Technology security.

Debt Recovery Committee

As of 31st December 2016, the members of Debt Recovery Committee are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	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.	Ms. Nantararat Surakkhaka	Executive Vice President , Legal & Compliance Department (Acting)

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 2016, the members of Purchasing Committee are as follows:

No.	Name	Position
1.	Ms. Inchaya Chatcherdsak	Executive Vice President, Human Resources Department
2.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office
3.	Ms. Nantararat Surakkhaka	Executive Vice President , COO Office Support 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 2016, the members of Human Resource Committee are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	Chief Operating Officer
2.	Ms. Bee Leng Ooi	Managing Director
3.	Ms. Suchada Sodthibhaphkul	Executive Director
4.	Ms. Inchaya Chatcherdsak	Executive Vice President, Human Resources Department

Scope of duties and responsibilities of the Human Resource Committee

- To review and approve HR related policies; and
- To review and approve promotions.

Disciplinary Committee

As of 31st December 2016, the members of Disciplinary Committee are as follows:

No.	Name	Position
1.	Ms. Inchaya Chatcherdsak	Executive Vice President, Human Resources Department
2.	Ms. Nantararat Surakkhaka	Executive Vice President , COO Office Support Department
3.	Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department
4.	The Department Head of the person being charged	

Scope of duties and responsibilities of the Disciplinary Committee

- 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;
- To ensure the case will be considered fairly, by hearing from all concerned parties, and to impose appropriate penalty.

Welfare Committee

As of 31st December 2016, the members of Welfare Committee are 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. Chatkaew Kittayanusorn	Manager , Fixed Income Department
6.	Ms. Suthinee Theerawitpreecha	Manager, COO Office
7.	Mr. Wattana Kongjarern	Assistant Manager, Human Resources 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 2016, the members of Health and Environment Committee are 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	Senior 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. Pimploy 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 up training 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 2016, the members of ESOP Committee are as follows:

No.	Name	Position
1.	Mr. Chih - Hung Lin	Chief Operating Officer
2.	Mr. Pradit Sawattananond	Independent Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Inchaya Chatcherssak	Executive Vice President, Human Resources Department
5.	Ms. Yuan-Chen Chiu	Member

Scope of duties and responsibilities of ESOP Committee

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

Corporate Governance Committee

As of 31st December 2016, the members of Corporate Governance Committee are 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. Nantararat Surakkhaka	Executive Vice President, Legal & Compliance Department (Acting)
4.	Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department

Scope of duties and responsibilities of Corporate Governance Committee

1. To review and evaluate the Corporate Governance Policy and to propose to the Board of Directors to approve at least once a year;
2. To follow up on the implementations of the policy.

The attendance record of Directors at Board of Director meetings and other committee meetings in 2016

No.	Board of Directors	Attendance record							
		Board of Director (total 7 times)	Audit Committee (total 5 times)	Compensation Committee (total 2 times)	Nomination Committee (total 3 times)	Risk Management Committee (total 15 times)	Debt Recovery Committee (total 1 time)	Human Resource Committee (total 1 time)	ESOP Committee (No meeting)
1.	Mr. Foong Hock Meng	6/7 ¹							
2.	Dr. Pisit Leeahtam	6/7 ²	5/5		3/3				
3.	Dr. Don Bhasavanich	7/7 ³	5/5 ³						
4.	Mr. Pudit Sawattananond	7/7	5/5	2/2	3/3				0/0
5.	Mr. Picharn Kullavanijaya	7/7 ⁴							
6.	Mr. Wei Chang Fang	4/4 ⁵				4/4 ⁵	0/0 ⁵	1/1 ⁵	0/0
7.	Mr. Chih - Hung Lin	7/7				11/11 ⁵	1/1 ⁵	0/0 ⁵	0/0
8.	Ms. Bee Leng Ooi	7/7			3/3	15/15		1/1	0/0
9.	Ms. Suchada Sodthibhaphkul	7/7				14/15	1/1	1/1	
10.	Mr. Wisit Wongpaisan	7/7			3/3	14/15			
11.	Ms. Pi-Lin Huang	5/7 ⁶							
12.	Mr. Yen, Chih-Chien	6/7 ⁷		2/2					
13.	Mr. Shaw - Tzeng Ding	0/0 ⁸							

Note:

- 1,6,7/ Including 1 attendance by phone, reason for absence because had urgent meetings abroad
- 2/ Did not attend 1 meeting due to conflict of interest
- 3,4/ Including 2 attendances by phone, reason for absence because had urgent meetings abroad
- 5/ The Company's Board of Director acknowledged the resignation of Mr. Wei Chang Fang, as Chief Operating Officer and director of the Company, and approved the appointment of Mr. Chih - Hung Lin, a director, as the new Chief Operating Officer of the Company and also appointed him to be the member of Risk Management Committee, Debt Recovery Committee, Human Resource Committee and ESOP Committee replace Mr. Wei Chang Fang. Mr. Chih - Hung Lin received approval from the SEC on 18th May 2016.
- 8/ The Company's Board of Director approved the appointment of Mr. Shaw - Tzeng Ding as a replacement director. The SEC approved Mr. Shaw - Tzeng Ding as a new director of the Company on 16th November 2016.

8.2 Management

As of 31st December 2016, Company's Management (Definition of management in accordance with notification of SEC) consisted of the following 23 members:

No.	Name	Title
1.	Mr. Chih - Hung Lin /1	Chief Operating Officer
2.	Ms. Bee Leng Ooi	Managing Director
3.	Mr. Somchai Kanjanapetcharat	Senior Managing Director, Retail Equity Business
4.	Mr. Suthep Rungsiam	Managing Director, Brokerage Business
5.	Ms. Jariya Posayajinda	Managing Director, Proprietary Trading Department
6.	Mr. Apichart Tungkiatsilp	Managing Director, Fixed Income Department
7.	Ms. Patchpon Sankaburanuruk	Managing Director, Investment Banking Department
8.	Mr. Jenvit Chinkulkitniwat	Managing Director, Equity Derivatives Department
9.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
10.	Mr. Somchai Siripaiboolpong	Executive Vice President, Retail Equity Business
11.	Ms. Songsri Chawengsataporn	Executive Vice President, Retail Equity Business
12.	Ms. Dutsanee Pamontip	Executive Vice President, Retail Equity Business
13.	Ms. Warunlak Aiemmeechai	Executive Vice President, Retail Equity Business
14.	Mr. Kamthorn Chinsakuljaroen	Executive Vice President, Retail Equity Business
15.	Mr. Viwat Charoenthangvitaya	Executive Vice President, Retail Equity Business
16.	Mr. Hua - Feng Chang	Executive Vice President, Retail Equity Business
17.	Ms. Kannikar Pradiskesorn	Executive Vice President, Institutional Equity Business
18.	Ms. Inchaya Chatcherdsk	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. Sumek Chantrasuriyarat	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

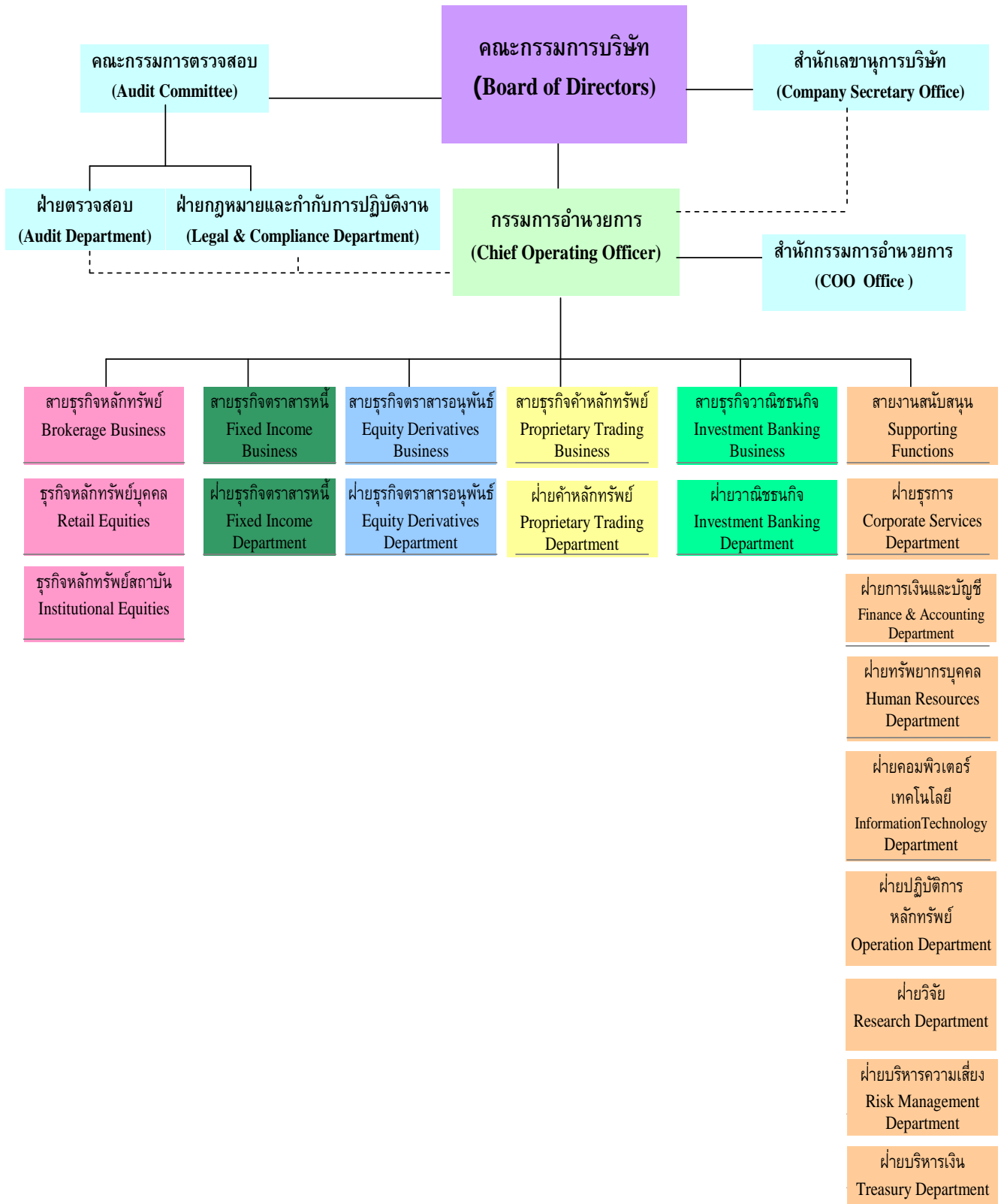
Note: 1/ The Company's Board of Director acknowledged the resignation of Mr. Wei Chang Fang, as Chief Operating Officer and director of the Company, and approved the appointment of Mr. Chih - Hung Lin, a director, as the new Chief Operating Officer of the Company. Mr. Chih - Hung Lin received approval from the SEC on 18th May 2016.

Roles and responsibilities of Chief Operating Officer

The Board appoints Chief Operating Officer as the top executive to manage the Company's business under the supervision of the Board. The roles and responsibilities of Chief Operating Officer include the following:

1. To manage and supervise the Company in line with the Company's articles, objectives, policies and goals;
2. To consider the business plan and to propose it to the Board for approval;
3. To have authority to act on behalf of the Company in line with the Company's Power of Attorney;
4. Any duties or projects assigned by the Board of Directors and / or Shareholders of the Company.

Organization Chart



8.3 Company Secretary

The Board of Directors has approved the appointment of Ms. Nongluk Ningsanond, as the Company Secretary since 6th November 2012. Responsibilities of Company Secretary as follows: (see details in attachment 1)

1. Providing basic advice pertaining to the laws and regulations, as well as monitoring compliance on a regular basis;
2. Preparing agenda and documents for the Board of Directors Meetings and Shareholder Meetings;
3. Arranging the Board of Directors Meetings and Shareholder Meetings in accordance with the laws and regulations, the Company's Articles of Association, and best practices;
4. Preparing minutes of the Board of Directors Meetings and Shareholder 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 Board of Directors Meetings and Shareholder Meetings, as well as minutes of the Board of Directors Meetings and Shareholder 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.

8.4 Compensation of Directors and Management

The Company's compensation policy for directors and management 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

Criteria and process for Directors' remuneration

In considering the remuneration of a director, the Board shall consider the opinion of the Compensation Committee. The Compensation Committee will consider and recommend the Directors' remuneration by considering the criteria listed below before submitting to the Board for approval. The Board of Directors will then propose this at the shareholders' meeting for approval.

1. The remuneration shall consider the Company's operating result, including roles, duties and responsibilities of the board member.
2. The remuneration must be appropriate and in accordance with the industry and sufficient to keep qualified directors with the Company.

In 2016, the Company paid monetary compensation for 11 directors (including 1 director who resigned during the year), representing a total of Baht 19.40 million which consists of attendant allowances paid according to the number of attendance, monthly allowance paid every month, including bonus, travelling and accommodation. The remuneration of each director is as follows:

Name	Position	Total Compensation for 2016 (Million Baht)			
		Board	Audit Committee	Travelling and Accommodation	Total
1. Mr. Foong Hock Meng	Chairman	3.35	-	-	3.35
2. Dr. Pisit Leeahtam	Vice Chairman	3.68	0.20	-	3.88
3. Dr. Don Bhasavanich	Director	1.26	0.15	-	1.41
4. Mr. Pradit Sawattananond	Director	1.30	0.15	-	1.45
5. Mr. Picharn Kullavanijaya	Director	1.26	-	0.97	2.23
6. Mr. Wei Chang Fang /1	Director	-	-	-	-
7. Mr. Chih - Hung Lin	Director	0.54	-	-	0.54
8. Ms. Bee Leng Ooi	Director	-	-	-	-
9. Ms. Suchada Sodthibhaphkul /2	Director	1.06	-	-	1.06
10. Mr. Wisit Wongpaisan	Director	3.34	-	-	3.34
11. Ms. Pi-Lin Huang	Director	0.92	-	-	0.92
12. Mr. Yen, Chih-Chien	Director	0.92	-	-	0.92
13. Mr. Shaw - Tzeng Ding/3	Director	-	-	-	-
14. Mr. Chin - Lung Tseng /4	Director	0.30	-	-	0.30
Total		17.93	0.50	0.97	19.40

Note:

- 1/ The Company's Board of Director acknowledged the resignation of Mr. Wei Chang Fang, as Chief Operating Officer and director of the Company, and approved the appointment of Mr. Chih - Hung Lin, a director, as the new Chief Operating Officer of the Company. Mr. Chih - Hung Lin received approval from the SEC on 18th May 2016.
- 2/ The Company also paid Monetary Compensation to Ms. Suchada Sodthibhaphkul as the Executive Director, details in 8.4.1 (C)
- 3/ The Company's Board of Director approved the appointment of Mr. Shaw - Tzeng Ding as a replacement director. The SEC approved Mr. Shaw - Tzeng Ding as a new director of the Company on 16th November 2016.
- 4/ Mr. Chin - Lung Tseng resigned from the Company's Board on 7th May 2015, and a Director's bonus for the year 2015 was paid in 2016.

B) Monetary Compensation of Management

In 2016, the Company paid compensation including salary and bonus to 24 management (including 1 management who resigned during the year) amounting to Baht 136.86 million.

C) Monetary Compensation of Executive Director

The Company approved the appointment of Ms. Suchada Sodthibhaphkul, Authorized Director, as the Executive Director of the Company for the third year for the period November 2016 - October 2017. Ms. Suchada Sodthibhaphkul is responsible for managing the Risk function of the Company, including being responsible for and approving all risk matters and will also be a member of the Risk Management Committee and all its sub-committees as well as the Debt Recovery Committee and the Human Resource Committee, the Company paid compensation to Ms. Suchada Sodthibhaphkul, as the executive director of the Company, amounting to Baht 4.12 million.

8.4.2 Other Compensation

A) Other Compensation of Directors

In 2016, the Company paid golf membership, car rental, gasoline, driver, mobile phone expenses for directors, amounting to Baht 4.70 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 2016, the Company contributed to the fund of 24 management, (including 1 management who resigned during the year) amounting to Baht 3.82 million.

- Welfare

The Company provides yearly health check-ups, welfare for IPD and OPD medical expenses for its employee. For IPD the welfare covers employees' families, spouse and children. In 2016, the Company paid health welfare to 24 management (including 1 management who resigned during the year), amounting to Baht 0.84 million.

- Others

In 2016, the Company paid car rental, gasoline, driver, mobile phone expenses for 24 management (including 1 management who resigned during the year), amounting to Baht 10.97 million. And paid life/accident insurance fee expenses of Baht 0.12 million.

8.5 Employees

As of 31st December 2016, the Company had a total of 541 employees. Total compensation paid to all employees in 2016 was Baht 830 million, which consisted of salary, overtime payment, cost of living allowance, bonus, social security fund and provident fund. Furthermore, One Asset Management Limited, (the Company's subsidiary), had a total of 145 employees and also paid compensation of Baht 184 million to its employees. The Company and its subsidiary have no significant labor disputes in the last 3 years.

Total employees and compensation

Year 2016	Company	ONEAM^{/2}	HOLDCO^{/3}	KTHL^{/4}
Management (person) ^{/1}	23	15	-	-
Total Business Unit employee (person)	359	61	-	-
Risk Management Department employee (person)	6	3	-	-
Audit Department employee (person)	6	4	-	-
Legal & Compliance Department employee (person)	7	2	-	-
Other supporting employee (person)	140	60	-	-
Total (person)	541	145	-	-
Number of employee in Head Office (person)	408	145	-	-
Total compensation of employee (Baht million)	829.75	183.62	-	-

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 of Human Resources

The Company regards each employee as a respected and honored colleague who should be well cared for. 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 and has established a policy of Development of Employees and policy of Fair Compensation and policy on development of Safety and Health as follows:

Policy of Development of Employees

1. The Company enhances and develops each employee so they are skilled and knowledgeable, and supports them using their full potential to grow together with the Company.
2. Potential employees are given the opportunity and support to get the learning and development of both domestic and international.
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.

In 2016, the Company arranged a total of 14 internal training courses and encouraged employees to attend external training courses numbering more than 95. More than 1,299 employees attended the training courses. On average, each employee attended 11.88 hours of training in 2016.

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.

Policy of Fair Compensation

1. The Company's policy in remunerating its employees is on the basis of what is appropriate and fair, according to each individual's knowledge, capability, duties, responsibilities, and performance, in relation to the average pay scale for the industry. These payments have to be in line with the growth of the business line and the Company.
2. The Company, its local 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 funds will be paid to employees upon termination in accordance with the rules of the fund.
3. The Company provides health check-ups every year, and covers IPD and OPD medical expenses. For IPD the welfare covers employees' families, spouse and children.

Policy of development of Safety and Health

1. The Company follows regulations on safety, health, and work environment.
2. The Company ensures the workplace is a safe working environment and clean.
3. The Company set up a Health and Environment Committee to meet the safety in workplace in accordance with the laws.
4. The Company sets up proper training programs regarding the safety of working space for employee.

Summary Statistics of Employee Leave & Injuries (Classify by Severity) for the Year 2016

Month (No. of Employee)	Severity (No. of times)					Total
	Death	Partial Disable ment	Loss of LIMD	Sick Leave exceeding 3 Days	Sick Leave less than 3 Days	
January (543)	0	0	0	1	39	40
February (541)	0	0	0	5	33	38
March (547)	0	0	0	3	50	53
April (538)	0	0	0	3	18	21
May (539)	0	0	0	2	40	42
June (542)	0	0	0	5	40	45
July (539)	0	0	0	3	54	57
August (541)	0	0	0	3	56	59
September (543)	0	0	0	6	59	65
October (542)	0	0	0	2	43	45
November (542)	0	0	0	1	53	54
December (541)	0	0	0	6	37	43
Total	0	0	0	40	522	562
Average (541)	0	0	0	0.01%	0.08%	0.09%

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. Rights 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 Implementation of Corporate Governance Report in 2016 in the Company's website at www.kgiworld.co.th)

Rights of Shareholders

Basic shareholder rights include the right to 1) buy, sell, or transfer shares; 2) share in the profit of the Company; 3) obtain relevant and adequate information on the Company in a timely manner; 4) participate and vote in shareholder meetings to elect or remove members of the Board, appoint the external auditor, and make decisions on any transactions that affect the Company, such as dividend payment, amendments to the Company's articles of association or by laws, capital increases or decreases, or the approval of extraordinary transactions.

The Company has a policy to provide shareholders the criteria and procedures governing shareholder meetings and sufficient information regarding the issues to be decided on each agenda item in advance of the meeting. The Company allows shareholders to query directors both in the meeting and by sending their questions in advance. Shareholders are also allowed to authorize a proxy to attend the meeting and vote. The Company recognizes shareholders rights and avoid any action that violates those rights.

Procedures for shareholders' meeting

1. Before Shareholders' meeting

- 1.1 The Company encourage all shareholders, including institutional shareholders, to attend the Company's shareholders' meeting.
- 1.2 The Company provided the notice and all relevant information relating to the AGM no. 1/2016 in both Thai and English languages on the Company's website on 18th March 2016, 32 days prior to the meeting. Such information was the same as the Notice in hard copy sent to shareholders.
- 1.3 The Company sent Notice of the Annual General Shareholders' meeting ("AGM") and related documents in a document to shareholders in advance of shareholders' meeting date and earlier than required by regulations. For AGM 1/2016 that was held on 19th April 2016, the Company requested Thailand Securities Depository Co., Ltd., the Company's registrar to send out the notice to shareholders on 4th April 2016, which is 15 days prior to the meeting day.
- 1.4 The notice of AGM no.1/2016, the Company provided sufficient information of every agenda for shareholder's consideration.
- 1.5 The Company had specified a date, time, and place by considering the convenience of shareholders. The Company held AGM no.1/2016 on 19th April 2016, at 2 p.m., at Mandarin Hotel Managed by Centre Point, Mandarin Grand Ballroom, 1st Floor, 662, Rama 4 Road, Maha Phruettharam Sub-District, Bangrak District, Bangkok 10500.

- 1.6 In the case that shareholders could not attend the shareholders' meeting, the Company encouraged them to cast their votes independently on each important matter (proxy form B). Nevertheless, shareholders can use another proxy form. The Company has posted all forms of the proxy issued by the Ministry of Commerce both in Thai and English languages on the Company's website.
- 1.7 In the case that shareholders would like to appoint an independent director to vote on their behalf as a proxy, the Company has proposed names of independent directors, at least one, on the notice of the shareholders' meeting for their consideration. At AGM no. 1/2016, the Company proposed names and profiles of 3 independent directors which were 1. Dr. Pisit Leeahtam 2. Dr. Don Bhasavanich and 3. Mr. Pradit Sawattananond on the notices of the shareholders' meeting for the shareholders' considerations to appoint as a proxy.

2. Conduct of Shareholders' meeting

- 2.1 The Company had provided adequate personnel and technology. The Company used barcode for registration and voting process. The Company also prepared duty stamps to support shareholders who were appointed as proxy and allowed shareholders who came after the meeting began to attend the meeting.
- 2.2 Directors and executives were present at the meeting to explain and answer the shareholders' questions. The Company introduced Directors, Management and Auditor.
- 2.3 The Company conducted transparent shareholders' voting and allowed shareholders to vote separately for each agenda; therefore, shareholders could exercise their rights in each agenda freely. For the directors' election agenda, each shareholder could exercise his/her rights in electing directors and the votes could be counted from individual voting cards handed in by shareholders regardless of whether they were voting "approve", "against" or "abstention".
- 2.4 The Chairman of the meeting allowed shareholders to ask questions or express their views on each agenda freely and the Company answered all shareholders' questions.
- 2.5 The Company counted the votes and announced the result on each agenda during the meeting and specified the voting of "approve", "against" or "abstention".

3. Preparation of AGM's minutes and disclosure of AGM's resolution

- 3.1 On the AGM no. 1/2016, the Company announced the resolutions and the voting, separating the "approve", "against" or "abstention" through the SET's ELCID System on 19th April 2016.
- 3.2 The Company recorded the minutes of shareholders' meetings including all significant information such as the meeting's time, names of directors who attended/did not attend the meeting, important explanations and clarifications, summaries of questions, answers, and opinions, voting results by the "approve", "against" or "abstention", and name of minute taker.
- 3.3 The AGM no. 1/2016, the Company disseminated the minutes of the shareholders' meeting to SET and posted in the Company's website both in Thai and English languages on 29th April 2016, which was 10 days after the meeting.

Equitable Treatment of Shareholders

The Company has a policy to ensure that all shareholder rights are protected and that all get fair treatment. The Company has set procedures to prevent the use of inside information for abusive self-dealing, such as insider trading. For related party transactions, all directors and executives shall disclose to the Board whether they and their related parties have any interest in any transaction or matter directly affecting the Company. Directors and executives who have such interests will not participate in the decision-making process on such issues.

Roles of Stakeholders

Stakeholders in Corporate Governance include, but are not limited to, customers, employees, suppliers, shareholders, investors, creditors, the community, the government, competitors, and external auditors.

The Company has set clear policy on fair treatment for each and every stakeholder. The rights of stakeholders that are established by law or mutual agreements are to be respected. Any actions that can be considered to be in violation of stakeholders' legal rights shall be prohibited. The Company also provides an effective way for stakeholders to communicate to the Board any concern about illegal or unethical practices, corruption, incorrect financial reporting, insufficient internal control, etc. The rights of any person who communicate such concerns shall be protected.

Channels and procedure on Whistle Blowing

Being aware of the importance of this matter, the Company ensures that channels are provided and encourages staff and stakeholders to make whistle blowing reports on any suspicious incidents, or any case where staff or stakeholders suspect that there might be misconduct in the future. In this regard, the Company has protective measures to keep the whistleblowers' names confidential. The reported incidents shall be investigated and recorded in written documents. All whistle blowing reports or complaints will be kept confidential.

A whistle blower can make a complaint to the Company through the following channels;

- 1) Report to Legal & Compliance Department, telephone number 02-6588740-7 or facsimile number 02-6588004 or E-mail : legal&compliance@kgi.co.th;
- 2) Company's Website: www.kgieworld.co.th;
- 3) Send letter to Chairman of the Board or Chairman of the Audit Committee or Chief Operating Officer at following address:

KGI Securities (Thailand) Public Company Limited
173, Asia Centre Building, 11th Floor, South Sathorn Road,
Thungmahamek Sub - District , Sathorn District, Bangkok 10120

Disclosure and Transparency

The Company disclose the significant Company's information on the Company's website, such as Form 56-1, Form 56-2, the Notice of shareholders' meeting, the minutes of the shareholders' meeting, the Company's Articles, corporate governance policies, ethical and professional standards, and other information. The Company always updates the information on the website.

Responsibilities of the Board

Board Structure

As of 31st December 2016, the Board of Directors consisted of 12 persons, most of the directors have experience in the securities business. There were four independent directors (1/3 of all directors) and four representative directors from major shareholder which is proportional to its portion of shareholding.

Board of Directors' meeting

The Company sets the schedule of the Board of Directors' meeting in advance and each director will be notified of the schedule so that each can arrange to attend meetings. The number of Board of Director' meeting is appropriate to the obligations and responsibilities of the Board and nature of the Company, but should be at least six times per year. The Company will send Board notice, agenda and supporting documents to all Board members approximately 7 days in advance of the meeting.

In 2016, the Company had seven Board of Directors' meeting. The Board determines whether any director has a conflict of interests in any agenda, so they would not attend and vote on that agenda. The Chairman allocates the meeting time appropriately for complete management presentation and comprehensive discussion by directors and support the Chief Operating Officer to invite management to attend Board of Directors' meeting to present details on the issues that they are directly responsible for.

The minutes of the Board of Directors' meeting have all necessary and relevant information, such as date, time, names of directors who attend and do not attend the meetings, significant information and comments, resolutions, and name of minute taker. The Company has good storage systems to retrieve the data. The Company Secretary has informed SEC of the storage place.

Development Directors' continuing education

The Company has a policy to encourage Directors to attend the seminar that are relevant to their duties and responsibilities. In 2016, there are 2 directors attended the seminar, which are Mr. Chih - Hung Lin, Director and Chief Operating Officer of the Company, attended the Corporate Governance for Capital Market Intermediaries class 16/2016 and Mr. Foong Hock Meng, Chairman of the Board, attended Corporate Governance for Capital Market Intermediaries 17/2016 from Thai Institute of Directors Association ("IOD")

Orientation of new directors

All new directors are briefed about the Company's overall business operation, structure and relevant businesses so they understand the business process and shareholding structure of the Company. The Company Secretary Office is responsible for preparing for each new director a set of documents consisting of an annual report, mission, vision, core values, business performance, Articles of Association, Memorandum of Association, director handbook and relevant regulatory notifications.

Term of Directorship

The Company stipulated in the Articles of Association that at every annual general meeting, one-third (1/3) of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) must retire from office. A retiring Director is eligible to re-election.

However, the Company does not specify a maximum number of years and terms any director can be in office in order for the Company not to lose its opportunity to appoint knowledgeable, capable and experienced directors who can contribute to the Company.

Succession Planning

The Company has a proper and transparent plan to recruit personnel into important positions at all managerial levels to ensure that the Company has a professional management team. Details are as follows:

1. Chief Operating Officer level

In the event that the position of the Chief Operating Officer is vacant or the individual cannot perform his duties, the Company has an arrangement whereby executives in a closely comparable level or his deputy shall act on his behalf until the selection process for a qualified replacement is completed. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience and fit with the Company's corporate culture. The Company's Nomination Committee shall be responsible for the selection process and shall submit its final choice to the Company's Board of Directors for approval and appointment.

2. Executive Level

The Company continually prepare for succession planning at the executive position level as follows:

1. Analyze business condition of the Company in term of its strategy, policy, investment and expansion plans.
2. Evaluate the readiness of manpower to be consistent with the Company's strategy in both short term and long term.
3. Create plan making the availability of manpower by developing or recruiting employees to replace those resigning from the Company.
4. Create Recruitment Plan and arrange for Employee Training and Development in advance prior to retirement or early retirement of employees.
5. Define competencies, which refers to the knowledge, skills, personality and desirable attitude of the employees in certain positions and establish the Individual Development Plan.
6. Select, evaluate and assess the performance to determine the potential of employees.
7. Use tool to test and evaluate the employees to analyze their potential.
8. Select successors based on the assessment and analysis of the employees' potential and performance. The employees shall be notified in advance in order to prepare for the handover and learning of the new responsibilities, while a successor shall also be determined.
9. Develop and evaluate employees who are expected to be successors. If their performance is contrary to the expectation, the Company has time to change the successors.

Board of Directors' Self-assessment

The Board of Directors has conducted its annual self-assessment to determine whether or not, over the past year, it has carried out its duties completely and appropriately according to the framework of authorities and responsibilities and Corporate Governance Principles. The assessment result is gathered and summarized by the Company secretary.

The assessment form used for the Board of Directors is the assessment form of the SET. It assesses six major aspects: (1) Structure and characteristics of the board; (2) Roles and responsibilities of the board; (3) Board meetings; (4) The board's performance of duties; (5) Relationship with management; and (6) Self-development of directors and executive development. The score of the assessment within the range of 0 - 4; strongly disagree to strongly agree. The result of the 2016 annual assessment of the Board of Directors as a whole is a favorable result with an average score of 3.95.

9.2 Nomination of Directors and Top management.

(1) Independent Director

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 2016, the Company's independent directors are qualified as per SEC's regulation. They have no any business relationship with the Company or provide any services to the Company.

Process for Nomination of Independent Director

In considering the nomination of Independent Directors, the Board of Directors will consider the opinion of the Nomination Committee and will consider an Independent Director who has the qualifications required by the SEC, is knowledgeable, capable, dedicated, and is the suitable age and has the ability to perform a director's duties with care and loyalty.

(2) Nomination of Directors and top management

Procedures for the selection of directors and top management

In considering the nomination of directors and top management, the Board of Directors will consider the opinion of the Nomination Committee. The Nomination Committee will consider and recommend persons who have the qualifications listed below to the Board for approval. Furthermore, the Company is a securities business under SEC's control; therefore, the directors and top management 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 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.

Number of Representative Directors from Major Shareholder

KGI Asia (Holdings) Pte. Ltd. is the direct major shareholder of the Company, owns 34.97% of the Company's shares. The Company has 4 representative directors from Major Shareholder which are 1/3 of all directors, and proper with the portion of shareholding, the list of representative directors from Major Shareholder are as follow:

Director	Position
Mr. Foong Hock Meng	Chairman
Ms. Pi - Lin Huang	Director
Mr. Yen, Chih - Chien	Director
Mr. Shaw - Tzeng Ding	Director

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

9.3 Supervision of Business Operation in Subsidiaries CompanyMechanisms to control the operations of its subsidiaries

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 To get the Company's Board approval prior to a vote on significant matters of the subsidiary.
 - 2.2 To act for the best benefit of that subsidiary company.
 - 2.3 To participate in the significant policy of the subsidiary.
 - 2.4 To 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 To oversee the subsidiary company to ensure it has appropriate internal control systems.

9.4 Prevention of the Misuse of Inside Information

The Board of Directors has set up a strict policy to prevent the misuse of inside information. The Company sets a written policy in its Compliance Manual. The policies are as follows:

1. Company's directors, and executives and staff who acknowledge the inside information including related person of them (spouse and minor child) 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 and executives or related person of them (spouse and minor child) 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 one copy to the Company Secretary.
3. The Company Secretary reports changes in the holding of securities of directors and executives or related person of them (spouse and minor child) 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.

Penalty Provision

For the purpose of all Employee to strictly comply with all applicable laws and regulations, the Company has notified the Ethics and code of conduct in to the Company's work rules or regulations. Any violation of such Ethics and code of conduct shall be considered as the violation of the Company's work rules or regulations. In this regard, the Employee who violated the Company's work rules or regulations shall be subjected to any penalty on case by case basis, ii) set up any procedure of penalty consideration in the Company's internally notification no Tor Sor (Phor) 006/2002 dated October 1st, 2002 and as amended from time to time. The Employee who violated any provisions contained in this Ethics and code of conduct shall be liable to the penalty as following;

1. oral warning
2. written warning
3. suspension from work without wage payment
4. termination of employment with severance pay

5. termination of employment without severance pay
6. any penalty as per the consideration of Chief Operating Officer

9.5 Audit fee

A) Audit fee

For 2016, the Company and its subsidiaries paid audit fee to auditor and any persons or companies related to auditor as follows:

Company and its subsidiaries	Auditor	Audit Fee (Baht)	Audit Fee (HK Dollar)
KGI Securities (Thailand) Plc.	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (“Deloitte”)	1,960,000	-
One Asset Management Limited (a 99% owned subsidiary)	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd (“Deloitte”)	440,000	-
KGI Securities (Thailand) International Holdings Limited (a wholly owned subsidiary)	Ernst & Young Hong Kong	-	32,000
KGI (Thailand) Holdings Limited (a wholly owned subsidiary)	Ernst & Young Hong Kong	-	60,000
Total Audit Fee		2,400,000	92,000

Note : The above fees 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 2016, 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 (a wholly owned subsidiary)	Tax Service	Ernst & Young Tax Services Limited	9,200
Total Non-Audit Fee			9,200

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

9.6 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 2016, 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 2016 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 cannot 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.	<p>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.</p> <p>For the proposal of a candidate for election as Director, the Company will follow the Company's Article : At every annual general meeting, one-third (1/3) of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third (1/3) must retire from office. A retiring Director is eligible to re-election.</p> <p>Shareholders have the right to propose, so the Company did not disclose on the Company's website.</p>
2. The Chairman of the Board is 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.
3. More than half the Board of Directors should consist of independent directors if the Chairman is not an independent director.	
4. The Board of Directors should set limitations an individual may serve as an independent director to a maximum of 9 consecutive years.	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.
5. The Board of Directors should set limitations on consecutive terms of directors and committee members.	
6. 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.
7. 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 the activities of development of the community and society. The Company continues to focus on providing the educational opportunities for youth as usual every year, whether it is building a library for schools in remote areas, the KGI scholarships throughout the course of Bachelor students and donating bicycles to 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**

The following 2016 CSR Report of the Company (the fiscal year of 1st January 2016 – 31st December 2016), is 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.

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, which 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 a Risk Management Committee as well as other safeguards 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 proper 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.
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.

Stakeholders	Treatment toward Stakeholders
Debtors	<ul style="list-style-type: none"> • The Company follows the contracts, agreements or terms made with debtors with no discrimination in debt handling. • 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 always support the social activities. • The Company places importance on coexisting with the communities and society and create 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)

In order to give back to society, the Company has supported various Corporate Social Responsibility (CSR) projects, particularly in the field of education. In 2016 the Company continued its student sponsorship program. In late 2016 the Board of Directors also approved a new CSR project to help provide access to education for school students who live in remote rural areas by donating bicycles to students who live far from the nearest school.

10.5 Anti-Corruption Guidelines

(1) Policies and Guidelines to prevent and combat corruption

The Board's resolution

The Board of Director's meeting No.6/2014, dated 12th December 2014, 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 reviews the suitability of the policy at least annually.

Anti-Corruption Policy

In operation of the ordinary course of business, the Company persists in honesty, transparency and compliance with corporate governance principles and intends to resist corruption in any manner, whether direct or indirect.

1. The Company resists corruption and cooperates with outside organizations in support of anti-corruption.
2. The Company resists and does not support any corruption and also employs preventive measures to combat corruption.
3. The Company prohibits its directors, managements and employees from being involved in any corruption in the form of calling for any money, things or benefits from the Company's counterparty, business-related persons or vendors.
4. The Company has set forth a policy that receiving any gift valued at more than Baht 5,000 shall not be allowed. In the event the receiver cannot refuse or deny a gift valued at more than the limit, the receiver shall strictly comply with the Company's policies.
5. The Company has arranged a channel for making a complaint for investors and/or any person as well as directors, management, and staff in person or by verbal or written form. In this regards, a person who make a complaint will be protected and all information shall be kept confidentially.

Intention to join the Private Sector

The Company signed its intention to join the Private Sector Collective Action Coalition against Corruption (CAC), of 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 collaboration on nationally important issues.

(2) Actions to prevent and combat corruption**1. Risk evaluation**

The Company assesses risks from all types of business transactions, which may be considered as bribery or corruption by revising the perspective of its risk management policy annually. Moreover, the present risk management policy shall be reviewed appropriately to avoid or reduce risk to an acceptable level.

2. Set the Guidelines

The Company has set up Guidelines related to anti - Corruption such as guideline for Political Contributions, Charitable Contributions and Sponsorships, the expenditure of gifts, hospitality and entertainment, Whistle Blowing, the protection of directors, management and employees who rejected bribery. The Company also has other relevant policies and manuals such as Corporate Governance, Company Code of Conducts, Compliance Manual, etc.

3. Communication and training for staff

The Company provided a duplicate of this policy and made it available on the Lotus Note system and on the Company's website, (www.kgiworld.co.th) to ensure directors, management, and employees are aware and understand the anti-corruption policy. Furthermore, the Company added this policy as a part of its new employees' orientation or prior to being inaugurated as a director, management or employee.

4. Monitoring

The Company monitors and reviews this policy continuously (at least once a year), by taking into consideration circumstance and risk adjustment, then, shall propose to the audit committee for considering the sufficiency and result of implementing the anti-corruption policy, after that a report to the Board of Directors will be made in order to acknowledge the risk assessment and to make suggestions for risk mitigation. Furthermore, the Audit Department will be responsible for monitoring the internal control and procedures regularly, and shall report issues immediately to assure the effectiveness of such procedures. Nevertheless, related authorized persons shall consider proper solutions and report to the Chief Executive Officer and Audit Committee for proceeding.

5. Review

The Company's Audit Committee will be responsible for reviewing the sufficiency of the entire process.

In 2016, the Board of Directors and Audit Committee considered and reviewed the report related to investigation of corruption. The conclusion was that the operation processes related to anti-corruption had adequate internal control, authorization compliance with the Company's policy/guidelines and could not find any transactions that may be considered as corruption.

11. The Internal Control and Risk Management**11.1 Evaluation of Internal Control**

The Company's Audit Committee is responsible for reviewing the Company's financial statements by coordinating with external auditors and the relevant management. The Audit Committee monitored and review the Company's internal control systems and internal audit systems, 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)

At the Audit Committee Meeting No.1/2017 held on 22nd February 2017, the Audit Committee has completed the self –assessment questionnaire regarding the Adequacy of Internal Control Systems for year 2016 as following parts and reported to the Board of Directors Meeting No.1/2017 held on 22nd February 2017 regarding the evaluation result. The Audit Committee and the Board gave the same opinion that the Company has an appropriate internal control system for its business and adequate staff to implement the system effectively. The Company has a system of internal controls to protect the assets of the Company and its subsidiaries against wrongful by the directors or management.

1. Control environment,
2. Risk assessment,
3. Control activities,

4. Information and communication, and
5. Monitoring activities

The auditor of the Company, Deloitte Touche Tohmatsu Jaiyos Company Limited has audited quarterly, half year and annual financial statements of the Company for 2016 and reported on the information technology system. The audit scopes were general control and application control and the results did not disclose 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. Rungthip Vanitchapan to act as Head of Audit Department since 1st February 2016. The Audit Committee gave the opinion that Ms. Rungthip Vanitchapan is appropriate to perform such functions effectively because she has 10 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 Ms. Nantarat Surakkhaka as the acting head Legal and Compliance Department replace Mr. Thanachai Meechoke who has resigned from the Company on 20th January 2015, until the Company appoints a new permanent head of Legal and Compliance Department.

12. Related Party Transaction

12.1 Related Party Transactions

During the years ended December 31, 2016, the Company and its subsidiaries had significant business transactions with its related parties. Those transactions, which are summarized 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. (See note of financial statements no. 34)

12.2 The process of approving the connected transaction.

The Company has set the process of approving the connected transaction to comply with the SEC and SET regulations as follows:

Level where Management has authority

Normal business transaction / Supporting business transaction with normal commercial terms. The Board of Directors has approved the principles and management can approve the transaction.

Level where Board of Directors has authority

All other transactions (excluding items that are exempt from the connected transaction regulation) where the size of the transaction requires Board approval. The Company will propose to Audit Committee to consider and approve. If the Audit Committee approves and agrees that the transaction is reasonable and in the best interest of the Company, the Company will propose to the Board for approval. (The directors who have interests will not participate in the decision). And the Company will disclose the Board resolution to SET immediately after the meeting and disclose the transaction in form 56-1 and form 56-2.

Level where the approval of shareholders is needed

In the event that the transaction exceeds certain sizes, shareholders' approval is required. After it has been approved by the Board of Directors, the Company must seek approval from the shareholders' meeting. The notice of meeting must be sent to shareholders at least 14 days before the shareholders' meeting. In order to pass the resolution, the vote of three quarters of the total number of votes of shareholders attending the meeting is required. The Company shall appoint an independent financial advisor ("IFA") to comment on the transaction. The IFA has to comment on the rationale and benefits to the Company, fairness price, conditions and risks etc.

In 2016, the Board of Directors approved 2 connected transactions. The Audit Committee and the Board both agreed that the transactions are reasonable and in best interest of the Company since the service provider are knowledgeable and experienced in the relevant matters.

Connected person	Relationship	Transaction	Size (Baht million)	Necessity and reasonableness
1. KGI Securities Co., Ltd. (“KGI Taiwan”)	The indirect major shareholder of the Company, holding approximately 34.97% of the Company.	The Company hired KGI Taiwan as a service provider, to support the Company in the enhancement of its internet trading product.	USD 491,266 (equivalent to Baht 17.69 million, represents 0.36% of the net tangible asset value of the Company.	The transaction is reasonable and best interest of the Company since the service provider is knowledgeable and experienced in the relevant matters.
2. Ms. Suchada Sodthibhaphkul	Authorized Director of the Company	The Company appointed Ms. Suchada Sodthibhaphkul as the Executive Director to responsible for managing the Risk function for the Company, including be a member of the Risk Management Committee and all its sub-committees as well as the Debt Recovery Committee and the Human Resource Committee.	A monthly remuneration of Baht 315,000 per month . Total remuneration for 1 year will be Baht 3.78 million. In addition, the Company may consider giving her a discretionary bonus. The transaction size of the total remuneration for 1 year will be in the range of 1–20 million baht or 0.03% - 3% of net tangible assets.	The transaction is reasonable and best interest of the Company since the service provider is knowledgeable and experienced in the relevant matters.

12.3 Policy of connected transactions in the future

The Company and its subsidiaries have no policy to enter into the transaction with a person who may have a conflict of interest. But in case necessary, the Company will strictly comply with the SEC and SET regulations.

PART 3
FINANCIAL POSITION AND OPERATING RESULT

13. Financial position and operating results**(A) Summary of the Report of the Independent Auditors for 2014 - 2016**

In 2014 - 2016, the Company appointed Mr. Chavala Tienpasertkij, Certified Public Accountant no. 4301 of Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, “Deloitte” as auditor. In the opinion of Deloitte, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at 31st December 2014 and 2015 and 2016, and the financial performance and cash flows for the year in accordance with Thai Financial Reporting Standards.

(B) Summary of audited financial statements for the Company and its subsidiary companies for the years ended 31st December 2014 - 2016.

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016 , 2015 AND 2014

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	2016		2015		2014	
ASSETS						
ASSETS						
Cash and cash equivalents	392,296,992	3%	446,998,146	5%	393,172,029	3%
Deposits at financial institutions	166,321,791	1%	243,358,190	3%	196,524,352	2%
Securities purchased under resale agreements	370,000,000	3%	140,000,000	1%	-	-
Receivables from Clearing House	2,126,104,398	15%	939,090,312	10%	740,715,454	7%
Securities and derivatives business receivables - net	5,099,765,234	36%	5,053,543,518	52%	4,885,697,887	49%
Derivatives assets	61,203,198	-	22,492,971	-	34,498,195	-
Investments - net	5,414,609,460	38%	2,308,088,852	24%	3,825,683,010	36%
Premises and equipment - net	107,465,327	1%	112,550,014	1%	103,879,967	1%
Intangible assets - net	66,935,399	1%	68,116,837	1%	69,384,791	-
Goodwill	26,713,599	-	26,713,599	-	26,713,599	-
Properties foreclosed - net	31,556,355	-	35,075,355	-	44,838,573	-
Deferred tax assets	6,295,557	-	3,335,742	-	1,567,588	-
Other assets	261,458,183	2%	249,940,826	3%	199,768,733	2%
Total assets	14,130,725,493	100%	9,649,304,362	100%	10,522,444,178	100%

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016, 2015 AND 2014

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	2016		2015		2014	
LIABILITIES AND OWNERS' EQUITY						
LIABILITIES						
Borrowings from financial institutions	1,700,000,000	12%	-	-	600,000,000	6%
Securities sold under repurchase agreements	540,000,000	4%	10,000,000	-	130,000,000	1%
Payables to Clearing House	-	-	117,450,667	1%	-	-
Securities and derivatives business payables	3,918,283,270	28%	3,388,911,531	35%	3,236,018,804	31%
Accrued expenses	485,804,033	3%	349,712,382	4%	414,025,989	4%
Income tax payable	107,886,231	1%	24,159,758	-	72,306,169	1%
Derivatives liabilities	258,924,876	2%	103,999,988	1%	116,470,811	1%
Debt issued and borrowings	1,478,402,837	10%	454,671,746	5%	657,193,094	6%
Provisions for long-term employee benefits	88,765,202	1%	71,387,291	1%	46,737,284	1%
Provisions for liabilities	42,372,143	-	46,697,251	1%	39,861,562	-
Deferred tax liabilities	2,445,081	-	13,090,925	-	25,742,445	-
Other liabilities	24,186,454	-	25,919,971	-	22,974,552	-
Total liabilities	8,647,070,127	61%	4,606,001,510	48%	5,361,330,710	51%
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	14%	1,991,763,130	21%	1,991,763,130	19%
Share premium	982,166,480	7%	982,166,480	10%	982,166,480	9%
Surplus from unexercised warrants	101,922,580	1%	101,922,580	1%	101,922,580	1%
Other component of owners' equity	(28,987,912)	-	(14,183,911)	-	(45,470,837)	-
Retained earnings						
Appropriated - statutory reserve	199,176,313	1%	199,176,313	2%	199,176,313	2%
Unappropriated	2,234,488,542	16%	1,779,748,786	18%	1,928,957,423	18%
Equity attributable to equity holders of the parent	5,480,529,133	39%	5,040,593,378	52%	5,158,515,089	49%
Non-controlling interests	3,126,233	-	2,709,474	-	2,598,379	-
Total owners' equity	5,483,655,366	39%	5,043,302,852	52%	5,161,113,468	49%
Total liabilities and owners' equity	14,130,725,493	100%	9,649,304,362	100%	10,522,444,178	100%

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2016 , 2015 AND 2014

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	2016		2015		2014	
REVENUES						
Brokerage fees	1,085,349,861	34%	957,368,708	39%	1,084,137,945	42%
Fees and service income	629,251,086	19%	562,696,146	23%	406,103,548	16%
Gains (losses) on securities	291,553,344	9%	(100,304,408)	(4%)	222,444,613	9%
Gains on derivatives	873,290,916	27%	678,734,108	27%	507,211,244	20%
Interest and dividends	260,696,461	8%	262,466,973	11%	262,605,880	10%
Interest on margin loans	99,412,181	3%	100,257,584	4%	89,189,361	3%
Other income	6,301,384	-	20,726,038	-	11,944,116	-
Total revenues	3,245,855,233	100%	2,481,945,149	100%	2,583,636,707	100%
EXPENSES						
Finance costs	113,163,106	3%	112,311,789	5%	109,371,813	4%
Fees and service expenses	360,395,286	11%	353,350,229	14%	249,416,253	10%
Operating expenses						
Personnel expenses	1,013,367,477	31%	824,568,397	33%	865,112,355	33%
Premises and equipment expenses	205,328,008	7%	194,196,169	8%	176,019,798	7%
Directors' remuneration	34,152,880	1%	24,671,400	1%	27,128,613	1%
Other expenses	231,291,467	7%	228,742,882	9%	197,201,920	8%
Total operating expenses	1,484,139,832	46%	1,272,178,848	51%	1,265,462,686	49%
Bad debts and doubtful accounts (reversal)	7,215,754	-	(1,600,701)	-	(3,468,037)	-
Total expenses	1,964,913,978	61%	1,736,240,165	70%	1,620,782,715	63%
Profits before income tax expenses	1,280,941,255	39%	745,704,984	30%	962,853,992	37%
Income tax expenses	(257,402,145)	(8%)	(157,423,178)	(6%)	(200,703,174)	(8%)
Net Profits	1,023,539,110	31%	588,281,806	24%	762,150,818	29%

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2016 , 2015 AND 2014

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	2016		2015		2014	
Other comprehensive gain (loss):						
Items that will not be reclassified subsequently to profit or loss:						
Actuarial loss on defined benefit plan	-	-	(11,865,549)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	2,373,110	-	-	-
	-	-	(9,492,439)	-	-	-
Items that may be reclassified subsequently to profit or loss:						
Gain (loss) on remeasurement of available-for-sale investment	(12,706,802)	-	7,568,236	-	3,820,773	-
Gain (loss) on translation of the financial statements of foreign operation	(2,097,199)	-	23,718,690	1%	2,593,663	-
	(14,804,001)	-	31,286,926	1%	6,414,436	-
Total other comprehensive gain (loss)	(14,804,001)	-	21,794,487	1%	6,414,436	-
Total comprehensive income	1,008,735,109	31%	610,076,293	25%	768,565,254	29%
Profits attributable to:						
Equity holders of the parent	1,022,368,072	31%	587,215,008	24%	761,335,524	29%
Non-controlling interests	1,171,038	-	1,066,798	-	815,294	-
	1,023,539,110	31%	588,281,806	24%	762,150,818	29%
Total comprehensive income attributable to:						
Equity holders of the parent	1,007,564,071	31%	609,040,576	25%	767,749,960	29%
Non-controlling interests	1,171,038	-	1,035,717	-	815,294	-
	1,008,735,109	31%	610,076,293	25%	768,565,254	29%
Earnings per share attributable to equity holders of the parent						
Basic earning per share	0.51		0.29		0.38	

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2016 , 2015 AND 2014

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		
	2016	2015	2014
Cash flows from operating activities			
Profits before income tax expenses	1,280,941,255	745,704,984	962,853,992
Adjustments to reconcile profits before income tax expenses			
to net cash provided by (paid for) operating activities:			
Depreciation and amortisation	58,014,747	52,575,926	45,998,266
Bad debts and doubtful accounts	10,455,834	9,200,973	10,449,878
Provisions for liabilities	2,902,500	2,810,000	342,987
(Gains) losses on revaluation of trading			
securities and derivatives	(62,231,213)	34,295,774	(67,429,549)
Premium on investments in debt securities of a subsidiary	5,166	187,345	14,127
Discount on debts issued and other borrowings	(20,889,025)	(13,740,127)	(13,380,054)
(Gains) losses on disposals and written-off of equipment	274,005	(316,061)	(580,202)
(Gains) losses on disposals of property foreclosed	(5,381,000)	(10,176,782)	(3,045,418)
Interest income on deposits and investments	(130,773,972)	(142,699,124)	(164,549,106)
Dividend income	(129,922,489)	(119,767,849)	(98,047,583)
Finance costs	113,163,106	112,311,789	116,267,642
Provisions for long-term employee benefits	17,377,911	14,784,458	10,741,943
Cash received from interest income on deposits			
and investments	159,184,284	124,568,536	168,637,161
Cash paid for interest expenses	(93,008,917)	(92,667,746)	(108,445,353)
Cash paid for income taxes	(187,281,330)	(217,616,154)	(167,933,920)
Income from operating activities before			
changes in operating assets and liabilities	1,012,830,862	499,455,942	691,894,811
(Increase) decrease in operating assets			
Deposits at financial institutions	77,036,399	(46,833,838)	(106,988,099)
Securities purchased under resale agreements	(230,000,000)	(140,000,000)	365,000,000
Receivables from Clearing House	(1,242,586,189)	(236,472,579)	(377,938,892)
Securities and derivatives business receivables	(65,491,415)	(176,156,472)	(792,161,493)
Derivatives assets	(46,947,147)	(186,708)	32,749,079
Trading securities	(2,941,405,541)	1,513,645,972	(1,685,015,339)
Other assets	(36,019,117)	(33,357,718)	(30,607,583)

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 AND 2014

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		
	2016	2015	2014
Increase (decrease) in operating liabilities			
Borrowings from financial institutions	1,700,000,000	(600,000,000)	600,000,000
Securities sold under repurchase agreements	530,000,000	(120,000,000)	(35,000,000)
Payables to Clearing House	(117,450,667)	117,450,667	(307,042,599)
Securities and derivatives business payables	513,770,424	213,947,256	1,243,388,039
Accrued expenses	133,862,676	(63,316,517)	48,703,156
Derivatives liabilities	167,050,056	(29,462,731)	(67,035,296)
Debts issued and other borrowings	1,024,965,863	(208,076,061)	660,072,596
Payments on long-term employee benefits during the years	-	(2,000,000)	(5,025,280)
Other liabilities	3,569,225	1,249,178	2,115,442
Net cash from operating activities	483,185,429	689,886,391	237,108,542
Cash flows from investing activities			
Cash paid for available-for-sales investment	-	-	(164,815,000)
Cash paid for held-to-maturity debt securities	(49,684,132)	(8,749,370)	-
Cash paid for investment in a subsidiary	(102,999)	(49,624)	-
Proceeds from disposals of held-to-maturity debt securities	-	8,000,000	-
Dividends received on investment in securities	127,176,091	120,193,929	97,405,723
Cash paid for purchases of equipment and intangible assets	(55,456,628)	(55,555,731)	(58,103,761)
Proceed from disposals of equipment	284,402	369,409	1,135,090
Proceed from disposals of property foreclosed	8,900,000	19,840,000	10,020,000
Net cash from investing activities	31,116,734	84,048,613	(114,357,948)
Cash flows from financing activities			
Dividends paid	(567,628,316)	(726,962,287)	(716,946,578)
Dividends paid to non-controlling interests	(651,280)	(874,998)	(441,738)
Net cash from financing activities	(568,279,596)	(727,837,285)	(717,388,316)
Changes in translation adjustments	(723,721)	7,728,398	2,593,663
Net increase(decrease) in cash and cash equivalents	(54,701,154)	53,826,117	(592,044,059)
Cash and cash equivalents as at January 1	446,998,146	393,172,029	985,216,088
Cash and cash equivalents as at December 31	392,296,992	446,998,146	393,172,029

(C) Ratios for years 2014-2016

Consolidated financial statements	2016	2015	2014
Profitability Ratios			
Gross profit margin (%)	85.38%	81.08%	86.05%
Net profit margin (%)	31.50%	23.66%	29.47%
Return on equity (%)	19.43%	11.52%	14.83%
Return on investment (%)	36.92%	27.42%	34.70%
Efficiency Ratios			
Return on assets (%)	8.60%	5.82%	8.11%
Assets turnover (times)	0.27	0.25	0.28
Financial Ratios			
Liquid assets to total liabilities (times)	0.63	0.52	0.72
Earning assets to total liabilities (times)	1.22	1.60	1.62
Liquid assets to total assets (%)	38.48%	24.97%	36.72%
Earning assets to total assets (%)	74.41%	76.29%	82.79%
Total Liabilities to equity (times)	1.58	0.91	1.04
Dividend payment (%)	77.71%	98.96%	99.18%
(DPS / EPS separate financial statements)			
Other Ratios			
Securities investment to total assets (%)	38.32%	23.92%	36.36%
Net Capital Ratio (NCR) (%)	59.31%	131.06%	116.27%
Net Liquid Capital (Million Baht)	4,066	3,756	3,974
Per Share Information			
Par Value per share (Baht)	1.00	1.00	1.00
Book Value per share (Baht)	2.75	2.53	2.59
Basic Earnings per share (Baht)	0.51	0.29	0.38
Dividend per share (Baht)	0.380	0.285	0.365

14. Management Discussion & Analysis

(Consolidated financial statements as of 31st December 2016, “Company” refers to the “Company and its subsidiaries”)

14.1 Overview

For the whole of 2016, the SET Index staged an impressive rally of 19.8% to close the year at 1,542.94pts. The daily average market turnover (both SET and MAI) stood at Baht 52.5 billion, increasing by 18.5% from Baht 44.3 billion in 2015. Foreign investors reported a moderate net buying position of Baht 78.0 billion in 2016, compared to a large degree of foreign net selling of Baht 154.3 billion during 2015.

In 2016, the Company produced its best ever financial results. The Company achieved consolidated profits (attributable to equity holders of the parent) of Baht 1,022 million and earnings per share of Baht 0.51, an increase of 74% when compared to consolidated profits (attributable to equity holders of the parent) of Baht 587 million and earnings per share of Baht 0.29 the previous year.

The Company’s best ever financial results in 2016 reflect the strength and diversity of its operations plus the stable revenue streams from line of business other than the brokerage segment. In 2016, the fees earned from the Company’s securities brokerage and futures business accounted only 33 of its total revenues. By reducing its reliance on securities brokerage fees, the Company put itself in a better position to handle the intensifying competition after brokerage fees were fully liberalized.

In 2016, the Company’s gains on securities and derivatives represented 36% of its total revenues, were derived from a variety of activities, including derivative warrants (DWs), over-the-counter (OTC) derivatives, bond dealing, private repos, and investments in debt and equity securities for the Company’s own account.

The Company is considered to be one of the industry leaders in terms of product innovation. It can utilize the financial engineering know-how and the experience of the KGI Group, which is drawn from the more-developed Taiwanese financial market. This connection secures the Company a competitive edge in product development in Thailand. By offering a wide range of products, the Company can attract different groups of investors as 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.

The Company also has a recurring source of revenue from the fund management segment through its 99% ownership of ONE Asset Management Co., Ltd. (ONEAM). Revenues from fund management, which represented 16.75% of total revenues in 2016, are typically less volatile compared with other sources of revenue in the securities industry.

In 2016, TRIS Rating upgraded the Company’s credit rating to “A-” from “BBB+”. The upgraded rating reflects the continual improvement in the Company’s business stability and diversification. In addition, the rating reflects the explicit business support the Company receives from its major shareholder in Taiwan, KGI Securities Co., Ltd. (KGI Group). These strengths helped the Company earn its reputation as a leading creator of innovative products and gave it a proven track record of gains on proprietary trading.

The Company’s business

For Securities Broker Business, the Company developed and upgraded our internet trading platform, KGI POWER TRADE web-based version in 2016, which is available on both Window and OS X, and also provides more advanced features to serve clients’ needs and allows them to make timely and accurate investment decisions. In 2016, the Company ranked No.10 in terms of brokerage market share with an overall share of 3.76%. The Company again ranked No. 1 in derivatives trading volume with a market share of 12.59% of the TFEX market.

In 2016, the Equity Derivatives business also did well, producing a substantial increase in market share, and maintained its position as one of the leading DW issuers and market makers in Thailand. In 2016, the Company launched 248 DWs which were received a great response from investors.

Our Securities Trading business again produced a good performance, despite unusually high levels of volatility during the year. For Investment Banking business, the Company acted as the Lead Underwriter of two IPOs in 2016, including AMA Marines Plc and ASN Broker Plc, which were well received by investors. For the Fixed Income business, the Company continued to maintain its No. 1 ranking in bond trading among securities dealers in 2016.

Furthermore, One Asset Management Limited (the Company's subsidiary) issued 9 new funds, and increased assets under management.

In 2016, the Company won the "Best Derivatives House Award" from the SET AWARD 2016 and Best Bond Securities Firm Award from THAI BMA AWARDS 2016. One Asset Management Limited (the Company's subsidiary) also won "Most Innovative Fund House Thailand" from Global Business Outlook Awards 2016

14.2 Results of operations

Revenue

In 2016, the Company had total revenues, as shown in its consolidated financial statements, of Baht 3,246 million, an increase of 31 percent compared to the previous year. The increase was mainly attributable to an increase in revenue from gains on securities and derivatives, brokerage fees and fees and service income. The details are as follows:

<i>Unit: Thousand Baht</i>	Consolidated Financial Statement		
Revenues	2016	2015	% Change
Brokerage fees	1,085,350	957,369	13%
Fees and service income	629,251	562,696	12%
Gains on securities and derivatives	1,164,844	578,430	101%
Interest and dividends	260,696	262,467	(1%)
Interest on margin loans	99,412	100,258	(1%)
Other income	6,301	20,726	(70%)
Total revenues	3,245,855	2,481,945	31%

Brokerage fees

In 2016, the Company reported Brokerage fees of Baht 1,085 million, representing a 13% increase compared to 2015. The Brokerage fee income consisted of Brokerage fees from securities business of Baht 833 million, Brokerage fees from derivatives business of Baht 213 million and other brokerage fees of Baht 39 million.

<i>Unit: Thousand Baht</i>	Consolidated Financial Statement		
Brokerage fees income	2016	2015	% Change
Brokerage fees from securities business	833,100	772,330	8%
Brokerage fees from derivatives business	212,837	133,677	59%
Other brokerage fees	39,413	51,362	(23%)
Total brokerage fees	1,085,350	957,369	13%

The increase in Brokerage fee income from securities business mainly due to an increase in average daily trading volume of the SET and the increase in Brokerage fees income from derivatives business mainly due to an increase in the Company's market share in TFEX which increased from 11.16% in 2015 to 12.59% in 2016.

In 2016, the Company developed KGI POWER TRADE web-based version, which is available for both Window and Mac OS, and also provides advanced features to better serve clients' needs.

Fees and Service income

In 2016, the Company reported Fees and service income of Baht 629 million, representing an 12% increase compared to 2015, Fees and Service income mainly from mutual fund management fee and registrar fee from ONE Asset Management Limited (The Company's asset management subsidiary).

<i>Unit: Thousand Baht</i>	Consolidated Financial Statement		
Fees and service income	2016	2015	% Change
Mutual fund management	385,772	327,181	18%
Private fund management	54,068	67,524	(20%)
Provident fund management	8,305	6,824	22%
Registrar and custodian	86,734	64,381	35%
Securities borrowing and lending	6,963	4,769	46%
Underwriting	31,001	27,156	14%
Financial advisory	6,846	17,220	(60%)
Placement agent	15,383	12,511	23%
Others	34,179	35,130	(3%)
Total fees and service income	629,251	562,696	12%

Gains on securities and derivatives

The Company's gains on securities and derivatives were derived from a variety of activities, including derivative warrants (DWs), over-the-counter (OTC) derivatives, bond dealing, private repos, and investments in debt and equity securities for the Company's own account. With the proper hedging strategies, the market risks from issuing these types of financial products are relatively low.

The Company's gain on securities and derivatives in 2016 was Baht 1,165 million, an increase of 101% from the previous year. The total gain on securities and derivatives of Baht 1,165 million consist of gains on derivatives of Baht 873 million and gains on securities of Baht 292 million. Gains on derivatives mainly derived from the Derivatives Warrant business.

The Company has risk management strategies to control risks from Derivative Warrant Business and Proprietary Trading Businesses, as follows;

a) 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.

b) Proprietary Trading Businesses

The Company invests in equity securities, derivatives and fixed income instruments by considering the economic outlook and fundamental factors of each industry, as well as the financial statements of target investee companies and technical analysis. Risk management is an important part of the investment process

and the Company continuously monitors risk exposure. 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. The Risk Management Department closely tracks the business' exposure to control the Company's overall risks.

Interest and Dividend Income

The Company's interest and dividend income in 2016 was Baht 261 million, almost the same as in 2015. The Company's interest income mainly came from interest on bank deposits and bonds. The Company's dividend income mainly came from dividends from investments in stock market.

Interest on margin loans

The Company's interest on margin loans in 2016 was Baht 99 million, almost the same as in 2015. As at 31st December 2016, the Company's margin loan balance was Baht 1,971 million, an increase of 15% from the previous year.

Other Income

The Company's other income in 2016 was Baht 6 million, compared with Baht 21 million from previous year. The income mainly arose from gains on disposal of properties foreclosed.

Expenses

The Company's expenses in 2016 were Baht 1,965 million, represented 61% of total income, a decreased compared with 70% of total revenue in 2015. The majority of the Company's expenses came from Finance costs, Fees and service expenses and Operating expenses, as follows:

Finance costs

The Company's financial costs in 2016 were Baht 113 million, almost the same as in 2015. The finance costs are mainly interest paid on borrowings from financial institutions and on bills of exchange.

Fees and service expenses

The Company's fees and service expenses in 2016 were Baht 360 million, almost the same as in 2015. Fees and service expenses are mainly fees paid in respect of securities trading, futures trading and securities borrowing and lending.

Operating expenses

The Company's operating expenses in 2016 were Baht 1,484 million, represented 46% of total income, a decreased compared with 51% of total revenue in 2015. The operating expenses consisted of 1) personnel expenses of Baht 1,013 million, 2) premises and equipment expenses of Baht 205 million, 3) Directors' remuneration of Baht 34 million and 4) other expenses of Baht 231 million. The majority of the other expenses came from advertising expenses, communication expenses, travelling expenses, audit and legal fees and others.

Profitability Ratios

The Company's profitability ratios generally increased in 2016 when compared with the previous years. Gross profit margin, net profit margin, return on equity and return on investment were 85%, 32%, 19% and 37% respectively.

Consolidated financial statements	2016	2015
Gross profit margin (%)	85.38%	81.08%
Net profit margin (%)	31.50%	23.66%
Return on equity (%)	19.43%	11.52%
Return on investment (%)	36.92%	27.42%

14.3 Asset Structure and Management

Operating Asset Structure

As of 31st December 2016, the Company had total assets of Baht 14,131 million, compared with Baht 9,649 million in 2015, representing an increase of 46% from the previous year, mainly due to an increase in size of the Company's investment portfolios.

At the end of 2016, the Company's earning assets were Baht 10,515 million which consisted of the net securities and derivatives business receivables of Baht 5,100 million and net investments of Baht 5,415 million.

In 2016, the Company had an asset turnover ratio of 0.27. The Company's Return on Assets (ROA) was 8.60%, compared with 5.82% in 2015, due to the Company's better performance in 2016.

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 2016, the Company's securities and derivatives business receivables were Baht 5,100 million almost the same as in 2015. The Company has made provision for doubtful accounts on securities and derivatives business receivables based on a review of the 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 15th February 2001 of the Office of the Securities and Exchange Commission, and after taking into consideration other relevant factors. The Company's doubtful debts as of 31st December 2016 were Baht 401 million, for which the Company had made full provision. The Company had also set additional reserves for uncollectible receivables of Baht 61 million. The Company believes that the provisions are adequate and meet the regulatory requirements.

<i>Unit: Thousand Baht</i>	Consolidated Financial Statements	
	December 31, 2016	December 31, 2015
Securities business receivables		
Cash accounts	2,119,303	2,099,788
Credit balance accounts	1,970,829	1,718,464
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	720,192	1,117,344
- Securities borrowing receivables	319,686	139,455
Other receivables		
- Installment receivables	421,236	421,871
- Overdue customers' accounts	304	-
- Other securities business receivables	832	252
Total securities business receivables	5,552,382	5,497,174
<u>Add</u> Accrued interest receivables	9,231	10,502
<u>Less</u> Allowance for doubtful accounts	(461,848)	(454,132)
Securities business receivables and accrued interest receivables - net	5,099,765	5,053,544
Securities and derivatives business receivables – net	5,099,765	5,053,544

For credit balance accounts, the Company's margin loan portfolio as of 31st December 2016 was Baht 1,971 million, equivalent to approximately 36% of the value of the Company's equity attributable to equity holders of the parent. The Company has set appropriate credit limits for each client and regularly reviews each client's financial strength. In 2016, the Company's credit lines complied with the Company's policies and were not concentrated in any industry or any client group.

As at 31st December 2016, the Company had other receivables with book values totaling Baht 419 million, on which the recognition of income had ceased. The Company has already made full provision for these debts.

Investments

The Company engaged in various investment activities during the year. As of 31st December 2016, the Company's net investments were valued at Baht 5,415 million, an increase of 135% from the previous year, because the Company had increased the size of its trading securities investments due to good market conditions.

The Company's investments consisted of trading securities of Baht 5,167 million, available-for-sale securities of Baht 178 million, held-to-maturity debt securities of Baht 48 million and general investments of Baht 21 million.

The Company's investments were diversified and were not concentrated in any one company or in any industry. The Company has a policy of making allowance for impairments and treats its 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 Risk Management Committee manages the risk of the Company's proprietary trading activities. The Risk Management Committee approves and reviews a risk budget for each of the proprietary teams at least once a year. The Risk Management Department also monitors and takes action in accordance with the Company's Risk Management Policy when limits are reached.

Other Assets

As at 31st December 2016, the Company had other assets of Baht 261 million, an increase of Baht 11 million from Baht 250 million at the same time of the previous year. The main increase came from the increase in accrued fees and service income of ONE Asset Management Limited (The Company's asset management subsidiary), due to ONE Asset Management Limited launch of new funds. (see note of financial statements no. 18)

14.4 Liquidity and capital adequacy

Sources and uses of funds

Cash flow activities consisted of 3 types, which are; operating activities, investing activities and financing activities. As at 31st December 2016, the Company's cash and cash equivalents were Baht 392 million, which comprises net cash from operating activities of Baht 483 million, net cash from investing activities of Baht 31 million, net cash from financing activities of Baht (568) million, changes in translation adjustments of Baht (0.72) million and plus beginning cash and cash equivalents of Baht 447 million.

Summary of Cash Flow Statements in 2016	Baht
Profits before income tax expenses	1,280.94
Adjustments to reconcile profits before income tax expenses to net cash provided by (paid for) operating activities:	(268.11)
Income from operating activities before changes in operating assets and liabilities	1,012.83
The Change in Assets and Liabilities	
(Increase) decrease in operating assets	(4,485.41)
Increase (decrease) in operating liabilities	3,955.77
Net cash from operating activities	483.19
Net cash from investing activities	31.12
Net cash from financing activities (Dividend Paid)	(568.28)
Changes in translation adjustments	(0.72)
Net increase (decrease) in cash and cash equivalents	(54.70)
Cash and cash equivalents as at 1 st January 2016	447.00
Cash and cash equivalents as at 31st December 2016	392.30

The majority of the net cash from operating activities of Baht 483 million came from income from operating activities and changes in operating assets and liabilities.

Net cash from investing activities of Baht 31 million, mainly came from dividends received on investments in securities and net cash from financing activities of Baht (568) million was due to dividends paid to shareholders in April 2016.

The Capital Structure

As of 31st December 2016, the Company's liabilities were Baht 8,647 million, and equity attributable to equity holders of the parent was Baht 5,481 million. The ratio of total liabilities to equity was 1.58 times.

At the end of 2016, the majority of total liabilities of Baht 8,647 million came from securities and derivatives business payables, borrowings from financial institutions and debt issued and borrowings. A majority of the equity attributable to equity holders of the parent of Baht 5,481 million came from capital and retained earnings.

Capital Expenditure

In 2016, the Company had 5 capital expenditure projects which were more than Baht 2 million, with a total budget of approximately Baht 41 million. The projects were investments in improving IT systems, computers and branch set up. The Company already paid for the projects of Baht 20 million in 2016 from the Company's working capital.

Adequacy of Liquidity

The Company has sufficient capital. As of 31st December 2016, the Company had cash and cash equivalents of Baht 392 million, deposits at financial institutions of Baht 166 million. Net Liquid Capital was Baht 4,066 million and Net Capital Ratio ("NCR") was 59%. The Company has a policy to maintain its Net Liquid Capital and NCR at a level that is higher than that required by SEC regulations (The regulations specify that the Net Liquid Capital must be at least Baht 25 million and the NCR must be at least 7%). The Company's Net Liquid Capital and NCR in past 3 years was as follows:

Capital Fund	31 st Dec 2016	31 st Dec 2015	31 st Dec 2014
Net Liquid Capital (Million Baht)	4,066	3,756	3,974
Net Capital Ratio ("NCR") (%)	59.31%	131.06%	116.27%

Ability to repay loans and comply with loan conditions and obligations

As of 31st December 2016, the Company had borrowings from financial institutions of Baht 1,700 million, and had debt issued and borrowings of Baht 1,478 million (see details in note of financial statement no. 19). The Company is confident that it will be able to repay the 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.

The ability to find additional sources of funds

If the Company requires additional 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 one 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

In July 2016, TRIS Rating upgraded the Company's rating to "A-" from "BBB+". 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.

Regarding the Company's proprietary trading, the Company has assigned its Risk Management Committee to set strict guidelines and policies relating to asset allocation, portfolio limits and risk control in order to manage the risk of losses due to market volatility and to control risk limits 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.

14.5 Commitments and contingent liabilities

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

14.6 Factors which may affect 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, failure of operational control, risk management or 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 and operational and administrative executives. The Committee acts as 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 risks. 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.

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
1) Mr. Foong Hock Meng Position in the Company: Chairman The Appointment date as a director: 14 th Sep 2009	60	Master of Science (Operational Research), University of Birmingham, UK <u>Training Program</u> Corporate Governance for Capital Market Intermediaries 17/2016 from Thai Institute of Directors Association (IOD)	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Feb 2013 - Aug 2014 Director KGI Capital Asia Limited, Hong Kong Aug 2009-Dec 2015 Director Bauhinia 8 Fund, Cayman 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 Dec 2009 - Feb 2012 Director KT Opportunistic Ltd, BVI Jun 2005 - Mar 2009 President and Director PIMCO ASIA Pte Ltd, Singapore Apr 1999 - Jul 2005 Managing Director BANK PICTET & CIE (ASIA) Ltd, Singapore <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Nov 2015 - Present Director KGI Alliance Corporation, BVI Jan 2015 - Present Director KGI Fraser Securities Pte Ltd (Change company name to KGI Securities (Singapore) Pte. Ltd), Singapore Apr 2014 - Present Director KGI Ong Capital Pte Ltd (Change company name to KGI Futures (Singapore) Pte. Ltd), Singapore Oct 2013 - Present Director KGI International Ltd, BVI Nov 2011 - Present Director One Asset Management Ltd. Aug 2009 - Present Director KGI Capital (Singapore) Pte Ltd, Singapore Aug 2009 - Present Director KGI Asia (Holdings) Pte Ltd, Singapore

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
2) Dr. Pisit Leeahtam Position in the Company: -Vice Chairman -Independent Director -Audit Committee Chairman -Nomination Committee Chairman The Appointment date as a director : 4 th May 2001	65	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 2016)	-None-	<u>Work experiences</u> 2008 - 2016 Dean, Faculty of Economic Chiang Mai University 2014 - 2015 Member of the NRC The National Reform Council (NRC) 2006 - 2015 Chairman The Netherlands-Thai Chamber of Commerce 2001 - 2003 President & Chief Operating Officer TT&T Public Company Limited 1997 - 2001 Deputy Minister of Finance Ministry of Finance <u>Position in Other listed companies</u> 2007 - Present Independent Director OHTL Public Company Limited 2005 - Present Independent Director and Chairman of Audit Committee Tira Thai Plc. 2004 - Present Chairman Prueksa Real Estate Plc. 2008 - Present Chairman of Audit Committee 2004 - 2008 Chairman of the Board Global Connections Plc. <u>Position in Other non- listed companies</u> 2016 - Present Independent Director Mahaphant Fibre-Cement Plc. 2014 - Present Chairman The Thai Bond Market Association 2010 - Present Chairman of the Board Thai Tank Terminal Ltd. 2008 - Present Director P Planner Co., Ltd. 2007 - Present Vice Chairman of the Council Member Rajamangala University of Technology Krungthep 2007 - Present Independent Director Gaysorn Land Asset Management Co., Ltd. 2006 - Present Country Chairman Jardines Matheson (Thailand) Ltd.

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
2) Dr. Pisit Leeahtam (continue) Position in the Company: -Vice Chairman -Independent Director -Audit Committee Chairman -Nomination Committee Chairman The Appointment date as a director : 4 th May 2001	65	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 2016)	-None-	<u>Position in Other non- listed companies</u> 2006 - Present Independent Director Jardine Engineering Service Co., Ltd 2006 - Present Independent Director Am Air Co., Ltd. 2006 - Present Independent Director Jardine Pacific (Thailand) Co., Ltd. 2006 - Present Independent Director Chaopraya Development Corporation Co., Ltd. 2006 - Present Independent Director Gaysorn Land Co., Ltd. 2006 - Present Independent Director Gaysorn Realty Co., Ltd. 2005 - Present Independent Director Dumex Ltd. 2011 - Present -Chairman and Chairman of Audit Committee 2004 - 2011 -Independent Director and Chairman of Audit Committee Quality Minerals Plc. 2004 - Present Independent Director and Chairman of Audit Committee Pan Rajathevi Group Plc. 2004 - Present Independent Director and Chairman of Audit Committee Muang Thai Life Assurance Plc. 2004 - Present Council Member Faculty of Commerce and Accountancy, Thammasat University 2003 - Present Council Member King Mongkut's University of Technology, Thonburi 2002 - Present President Provident Fund Association 2001 - Present Vice Chairman TPT Petrochemical Plc. 2001-Present Course Formulating Member Prachatipok Institute (of the Thai Parliament) 2001 - Present Chairman Foundation for Saving Development Institute

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
3) Dr. Don Bhasavanich Position in the Company: -Independent Director -Audit Committee The Appointment date as a director: 17 th April 2001	65	-MBA, University of Pittsburgh, USA -Ph.D, 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) -IT Governance & Cyber security for Directors & MDs From SEC	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Mar 2016 - Nov 2016 Board Chairman Thailand Post Distribution Co., Ltd Aug 2014 - Nov 2016 Board Vice-Chairman Thailand Post Co., Ltd Apr 2011 - May 2014 President TT&T Plc. May 2007 - Apr 2011 ☛ Managing Director Canadoil Asia Ltd. ☛ Chief Operating Officer ☛ Director Canadoil Group Oct 2006 - May 2007 Managing Director Thai Copper Industries Plc. May 2004 - Sep 2006 President NSM Plc. Oct 2002 - May 2004 Chief Executive Officer Unithai Group of Companies Plc. Feb 1999 - Oct 2002 Managing Director DHL (Thailand) <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Oct 2014 - present COO BEC New Media / IT
4) Mr. Picharn Kullavanijaya Position in the Company: Independent Director The Appointment date as a director: 24 th May 2011	56	-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. -Corporate Governance for Capital Market Intermediaries 6/2015 from Thai Institute of Directors Association (IOD)	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> May 2008 - Jan 2011 Founding Partner New Forest Partner, LLC, USA Feb 2000 - Apr 2008 Managing Director Investment Banking Citigroup Global Markets, USA <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Jun 2014 - Present Director Equilibrium Capital Group, USA Nov 2014 - Present Independent Director, Next Capital Corporation, USA Jul 2011 - Present Chief Executive Officer Equilibrium Capital Services, USA (Broker-dealer affiliate of Equilibrium Capital Group) Oct 2010 - Present Partner & Principal, Equilibrium Capital Group, USA

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
5) Mr. Pradit Sawattananond Position in the Company: -Independent Director -Audit Committee -Compensation Committee - Nomination Committee - ESOP Committee The Appointment date as a director: 31 st Jan 2000	68	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 - 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 (all above) 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 2016)	-None-	<u>Work experiences</u> May 2005 - Feb 2006 Advisor to the Committee on Economics Development, The House of Representatives Dec 2003 - Dec 2006 Director The Thailand Securities Depository Co., Ltd. Aug 2001 - Feb 2006 Specialist to the Committee on Finance, Banking and Financial Institution, The House of Representatives <u>Position in Other listed companies</u> Dec 2015 - Present Independent Director and Chairman of the Audit Committee Nusasiri Public Company Limited Mar 2004 - Present Independent Director and Chairman of the Audit Committee Asia Sermkij Leasing Plc. Jan 2004 - Present Independent Director and the Audit Committee Thai Film Industries Plc. <u>Position in Other non- listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
6) Mr. Chih - Hung Lin Position in the Company: -Chief Operating Officer (COO) -Authorized Director -Risk Management Committee Chairman -Debt Recovery Committee Chairman -Human Resource Committee Chairman -ESOP Committee Chairman The Appointment date as a director : 2 nd Jun 2015 The Appointment date as a COO : 18 th May 2016	47	Doctor of Philosophy, Engineering – Economic Systems and Operations Research , Stanford University, USA <u>Training Program</u> Corporate Governance for Capital Market Intermediaries 16/2016 from Thai Institute of Directors Association (IOD)	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Sep 2001- Aug 2011 Managing Director, Head of Asian Equity Derivative Analytics , The Royal Bank of Scotland N.V. (ABN AMRO Bank N.V.) Aug 2011- May 2016 Executive Vice President, Regional Head of Equity Derivatives, KGI Securities Co. Ltd. (Public Company in Taiwan)
					<u>Position in Other listed companies</u> -None-
					<u>Position in Other non- listed companies</u>
					Jun 2016 - Present Director One Asset Management Limited May 2016 - Present Director KGI Securities (Thailand) International Holdings Limited, Hong Kong May 2016 - Present Director KGI (Thailand) Holdings Limited, BVI

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
7) Ms. Bee Leng Ooi Position in the Company: -Managing Director -Authorized Director -Nomination Committee -Risk Management Committee -Human Resource Committee -ESOP Committee The Appointment date as a director: 26 th Dec 2000	57	MBA, University of Chicago, USA. <u>Training Program</u> -Corporate Governance for Capital Market Intermediaries 9/2015 from Thai Institute of Directors Association (IOD)	Beginning of the year = 0.001% Ending of the year = 0.001% (20,000 shares) (No trading transaction in 2016)	-None-	<u>Work experiences</u> 2000 Director, Business Planning KGI Asia Ltd, Hong Kong 1999 - 2000 Managing Director GK GOH Securities, Philippines <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Jul 2014 - Present Business Advisor KGI Ong Capital Pte Ltd. (Change company name to KGI Futures (Singapore) Pte. Ltd), Singapore May 2012 - Present Director KGI Securities (Thailand) International Holdings Limited, Hong Kong May 2012 - Present Director KGI (Thailand) Holdings Limited, BVI
8) Ms. Suchada Sodthibhaphkul Position in the Company: -Executive Director -Authorized Director -Risk Management Committee -Debt Recovery Committee -Human Resource Committee The Appointment date as a director: 17 th Apr 2001	62	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 2016)	-None-	<u>Work experiences</u> Apr 2001 - Oct 2014 Managing Director KGI Securities (Thailand) Plc. 1997 - Apr 2001 Executive Director KGI Securities (Thailand) Plc. 1990 - 1997 Executive Director First Asia Securities Plc. <u>Position in Other listed companies</u> Jan 2008 - Present Director Thai Rubber Latex Corporation (Thailand) Plc. <u>Position in Other non- listed companies</u> May 2011 - Present Director The Thai Bond Market Association
9) Mr. Wisit Wongpaisan Position in the Company: -Director -Nomination Committee -Risk Management Committee The Appointment date as a director: 28 th Aug 2001	64	MBA, University of East Asia, Macau	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Aug 2001 - Feb 2012 President KGI Securities (Thailand) Plc. Oct 2000 - Jul 2001 Chief Operating Officer KGI Securities (Thailand) Plc. Jun 1993 - Jul 2000 Executive Vice President Bank of Asia Plc. <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
10) Ms. Pi - Lin Huang Position in the Company: -Director The Appointment date as a director: 11 th Jul 2005	46	Bachelor, Accounting National Taiwan University, Taiwan	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> 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, (Listed company in Taiwan) 1999 - Jan 2004 Manager, Deloitte Consulting (Arthur Andersen Business Consulting), Taiwan <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Nov 2015 - Present Director KGI Hong Kong Limited, Hong Kong Nov 2015 - Present Director KGI Alliance Corporation, British Virgin Islands 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 Jan 2005 - Present Senior Vice President, Finance, KGI Securities Co. Ltd. (Public Company in 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 Limited, British Virgin Islands

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
11) Mr. Yen, Chih - Chien Position in the Company: -Director -Compensation Committee Chairman The Appointment date as a director : 11 th Jul 2005	51	-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 2016)	-None-	<u>Work experiences</u> 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 <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> May 2016 - Present Supervisor CDIB Capital Creative Industries Limited, Taiwan Nov 2015 - Present Supervisor CPEC Huachuang Private Equity (Kunshan) Co. Ltd., China Nov 2015 - Present Director CDIB Capital Management Corporation, Taiwan Nov 2015 - Present Supervisor CPEC Huakai Private Equity (Fujian) Co., Ltd., China Sep 2015 - Present Director KGI Fraser Securities Pte. Ltd (Change company name to KGI Securities (Singapore) Pte. Ltd), Singapore Dec 2014 - Present Director KGI Asset Management Limited, Hong Kong Sep 2014 - Present Director KGI Securities Co., Ltd. (Public Company in Taiwan) Aug 2014 - Present Director KGI Alliance Corporation, British Virgin Islands Jan 2013 - Present Executive Vice President China Development Finance Holding Corporation, (Listed company in 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. (Public Company in Taiwan)

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
12) Mr. Shaw - Tzeng Ding Position in the Company: -Director The Appointment date as a director : 16 th Nov 2016	54	Master of Science, University of Illinois at Urbana-Champaign, Major in Finance, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jul 2009 - May 2016 President KGI Securities Co. Ltd, (Public Company in Taiwan) <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Jun 2016 - Present Senior consultant KGI Securities Co. Ltd, (Public Company in Taiwan) Sep 2009 - Present Director KGI Securities Co., Ltd (Public Company in Taiwan) Aug 2014 - Present Director Richpoint Company Limited British Virgin Islands Aug 2016 - Present Commissioner PT KGI Sekuritas Indonesia, Indonesia Jun 2003 - Present Director Supersonic Service Inc. British Virgin Islands

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
<p>13. Mr. Somchai Kanjanapetcharat</p> <p>Position in the Company: -Senior Managing Director, Retail Equity Business - Risk Management Committee</p> <p>The Appointment date as a management: 1st Mar 2013</p>	61	Development Administration (NIDA), Thailand	<p>Beginning of the year = 0%</p> <p>Ending of the year = 0.02% (400,000 shares)</p> <p>(Bought 400,000 shares of KGI stock in 2016)</p>	-None-	<p><u>Work experiences</u></p> <p>Sep 2000 - Feb 2013 Chief Executive Officer of Retail Sales Officer KT ZMICO Securities Company Limited</p> <p>1992 - 2000 Senior Vice President Krungthai Tanakit Finance & Securities Plc.</p> <p>1990 - 1992 Assistant Vice President Thana One Finance & Securities Plc.</p>
					<p><u>Position in Other listed companies</u></p> <p>-None-</p>
					<p><u>Position in Other non- listed companies</u></p> <p>-None-</p>
<p>14) Mr. Suthep Rungsiam</p> <p>Position in the Company: Managing Director, Brokerage Business</p> <p>The Appointment date as a management: 1st Nov 2009</p>	49	<p>-MBA, Chaminade University of Honolulu, USA</p> <p>-BBA, International Business, University of Hawaii, USA</p>	<p>Beginning of the year = 0%</p> <p>Ending of the year = 0%</p> <p>(No trading transaction in 2016)</p>	-None-	<p><u>Work experiences</u></p> <p>2009 - 2012 Managing Director, Retail Equity Business KGI Securities (Thailand) Plc.</p> <p>2006 - 2008 Deputy Managing Director Institutional Clients Division Globex Securities Co., Ltd.</p> <p>2000 - 2005 Vice President Institutional Clients Division BNP Paribas Peregrine Securities (Thailand) Ltd.</p> <p>1998 - 2000 Vice President Institutional Clients Division Indosuez W.I. Carr Securities (Thailand) Ltd.</p>
					<p><u>Position in Other listed companies</u></p> <p>-None-</p>
					<p><u>Position in Other non- listed companies</u></p> <p>-None-</p>

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
15) Ms. Jariya Posayajinda Position: -Managing Director, Proprietary Trading Department - Risk Management Committee The Appointment date as a management: 1 st Apr 2009	49	MBA (Finance) Eastern Michigan University, Michigan, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Sep 2005 - Apr 2011 Executive Vice President (2009 - 2011) Senior Vice President (2005 - 2009) Proprietary Trading Department KGI Securities (Thailand) Plc. May 2002 - Feb 2005 Deputy Chief Marketing Officer UOB Asset Management (Thai) Co., Ltd
					<u>Position in Other</u> -None- <u>listed companies</u>
					<u>Position in Other non-</u> -None- <u>listed companies</u>
16) Mr. Apichart Tungkiatsilp Position in the Company: -Managing Director, Fixed Income Department - Risk Management Committee The Appointment date as a management: 2 nd Sep 2009	44	MBA, Cleveland State University, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Sep 2009 - Mar 2014 Executive Vice President Fixed Income Department KGI Securities (Thailand) Plc. 2005 - Aug 2009 Financial Institution Sales Manager Siam Commercial Bank Plc. 2004 - 2005 Fixed-Income Trading Manager Siam Commercial Bank Plc.
					<u>Position in Other</u> -None- <u>listed companies</u>
					<u>Position in Other non-</u> -None- <u>listed companies</u>

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
17) Ms. Patchpon Sankaburanuruk Position in the Company: -Managing Director, Investment Banking Department - Risk Management Committee The Appointment date as a management : 1 st May 2012	46	MBA, Finance University of Hartford, USA.	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jun 2002 - Apr 2016 -Executive Vice President (2013-2016) -Senior Vice President (2006-2012) -Vice President (2004-2005) -Assistant Vice President (2002-2004) Investment Banking Department KGI Securities (Thailand) Plc. Jun 1999 - May 2002 Assistant Manager Investment Banking Department Vickers Ballas Securities (Thailand) Co, Ltd Feb 1996 - Oct 1998 Manager Investment Banking Department Cathay Capital Co, Ltd Jan 1995 - Jan 1996 Officer Investment Banking Department Multi-Credit Corporation of Thailand Pcl. <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-
18) Mr. Jenvit Chinkulkitniwat Position in the Company: - Managing Director,, Equity Derivatives Department - Risk Management Committee The Appointment date as a management : 1 st Apr 2014	37	Master of Science in Finance, University of Illinois, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Apr 2014 - Apr 2016 - Executive Vice President (Year 2014-2016) Nov 2005 - Mar 2014 -Senior Vice President (Year 2005-2014) Equity Derivatives Department KGI Securities (Thailand) Plc. <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position / The appointment date	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
19) Ms. Saranya Larksukthom Position in the Company: -Senior Executive Vice President, Operation Department - Risk Management Committee - Debt Recovery Committee - Welfare Committee - Health and Environment Committee The Appointment date as a management : 1 st Mar 2001	54	MBA, Strayer University, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Mar 1999 - Apr 2011 -Executive Vice President (2001-2011) -Senior Vice President (1999 - 2001) Operation Department KGI Securities (Thailand) Plc 1996 - 1998 Assistant Vice President Nava Vickers Ballas Securities (Thailand) Co., Ltd. <u>Position in Other</u> <u>listed companies</u> -None- <u>Position in Other non-</u> <u>listed companies</u> Mar 2012 - Present Vice Chairman Back Office Operation Club
20) Mr. Somchai Siripaiboolpong Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management : 20 th Nov 2000	63	Bachelor of Business Administration, Chulalongkorn University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> 1994 - 1999 SCCF Finance & Securities 1991 - 1994 JF Thanakom Securities Limited <u>Position in Other</u> <u>listed companies</u> -None- <u>Position in Other non-</u> <u>listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
21) Ms. Songsri Chawengsataporn Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management : 1 st May 2011	57	Bachelor Economics, University of the Thai Chamber of Commerce, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jul 1996 - Apr 2011 Senior Vice President KGI Securities (Thailand) Plc.
					<u>Position in Other listed companies</u> -None-
					<u>Position in Other non-listed companies</u> -None-
22) Ms. Dutsanee Pamontip Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management : 1 st May 2011	57	Bachelor of Economics, Thammasat University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jan 2007 - Apr 2011 Senior Vice President KGI Securities (Thailand) Plc.
					<u>Position in Other listed companies</u> -None-
					<u>Position in Other non-listed companies</u> -None-
23) Ms. Warunlak Aiemmeechai Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management : 22 nd Apr 2013	48	Bachelor of Arts, Valaya Alongkorn Rajabhat University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Oct 1998 - Apr 2013 Executive Vice President KT ZMICO Securities Company Limited
					<u>Position in Other listed companies</u> -None-
					<u>Position in Other non-listed companies</u> -None-
24) Mr. Kamthorn Chinsakuljaroen Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management: 1 st Apr 2014	51	MBA, National University, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Sep 2010 - Mar 2014 Senior Vice President Retail Equity Business KGI Securities (Thailand) Plc. 2002 - 2010 Vice President Globlex Securities Co., Ltd.
					<u>Position in Other listed companies</u> -None-
					<u>Position in Other non-listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
25) Mr. Viwat Charoenthangvitaya Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management : 1 st Apr 2014	50	-Master of Business Administration, National Taipei University of Technology -National Kaohsiung university of Applied Sciences, Taiwan	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jul 2007 - Mar 2014 Senior Vice President Retail Equity Business KGI Securities (Thailand) Plc. <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-
26) Mr. Hua -Feng Chang Position in the Company: Executive Vice President, Retail Equity Business The Appointment date as a management : 1 st Apr 2008	54	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 2016)	-None-	<u>Work experiences</u> Feb 2001 - Mar 2008 Senior Vice President (2004 - 2008) Vice President (2001 - 2004) KGI Securities (Thailand) Plc. <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-
27) Ms. Kannikar Pradisorn Position in the Company: -Executive Vice President, Institutional Equities Business Department - Risk Management Committee The Appointment date as a management: 1 st May 2015	44	MBA, Assumption University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jun 2006 - Apr 2015 Senior Vice President Institutional Equities Business KGI Securities (Thailand) Plc. Mar 2003 - May 2006 Senior Sales Executive, Institutional Department FINANSA Securities Co.Ltd. Feb 2000 - Mar 2003 Senior Sales Executive Institutional Sales Desk KGI Securities One Plc Jun 1999 - Jan 2000 Risk Executive Risk Management Department GE Capital (Thailand) Ltd. Feb 1995 - May 1999 Statistician Merrill Lynch (Singapore) Corporate Strategy & Research Jul 1994 - Jan 1995 Assistant Analyst Research Department Multi-Credit Corporation Plc. <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
28) Ms. Inchaya Chatcherdasak Position in the Company: -Executive Vice President, Human Resource Department - Purchase Committee - Human Resource Committee - Disciplinary Committee - ESOP Committee - Corporate Governance Committee The Appointment date as a management: 18 th Aug 2014	45	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 2016)	-None-	<u>Work experiences</u> May 2014 - Aug 2014 -Chief Operating Officer & Director Jul 2012 - Apr 2014 -Senior Vice President Head of Business Development Jan 2003 - Jun 2012 -Senior Vice President Head of Human Resource KTB Securities (Thailand) Co., Ltd Jul 2002 - Sep 2002 Assistant Manager Human Resource Department ACSG (Thailand) Co., Ltd Sep 2000 - Jul 2002 Assistant Manager Human Resource Department SG Asia Credit Securities Co., Ltd. Oct 1999 - Sep 2000 Assistant Manager, Human Resources Department Adkinson Securities Co., Ltd <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-
29) Ms. Khunmira Thunnom Position in the Company: -Executive Vice President, Finance and Accounting Department - Risk Management Committee - Debt Recovery Committee The Appointment date as a management : 1 st Apr 2008	51	Master of Accountancy, Financial Accounting, Chulalongkorn University, Thailand.	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> 1993 - Mar 2008 -Senior Vice President (2001 - 2008) -Vice President (1993 - 2001) Finance & Accounting Department KGI Securities (Thailand) Plc. 1989 - 1992 Assistant Manager Ernst & Young Office Limited <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-
30) Ms. Acharee Turongsomboon Position in the Company: -Executive Vice President, Treasury Department - Risk Management Committee The Appointment date as a management : 1 st May 2012	50	Bachelor of Arts in Business Administration – General Management Sukhothai Thammathirat University, Thailand	Beginning of the year = 0.003% Ending of the year = 0.003% (52,100 shares) (No trading transaction in 2016)	-None-	<u>Work experiences</u> 2001 - 2011 Senior Vice President Treasury Department KGI Securities (Thailand) Plc. 1991 - 2000 Vice President Finance & Capital market Department Securities One Plc. <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-

Information of the Company's directors, management and the Company Secretary (As of 31st December 2016)

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
31) Mr. Sumek Chantrasuriyarat Position in the Company: Executive Vice President, Research Department. The Appointment date as a management: 17 th Aug 2015	53	- Master of Science in Financial, National Institute of Development Administration - Bachelor of Science (Statistics), Chulalongkorn University	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> 2015 Deputy Managing Director Kasikorn Securities Plc. 2014 Deputy Managing Director AEC Securities Plc. 2012 - 2013 Deputy Managing Director IV Global Securities Plc. 2007 - 2012 Deputy Managing Director KT Zmico Securities Co., Ltd. 2002 - 2007 Deputy Managing Director Bualuang Securities Plc. 1990 - 2002 Vice President Research Department Merrill Lynch Phatra Securities Company Limited <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-
32) Ms. Nantarat Surakkhaka Position in the Company: -Executive Vice President, COO Office Support Department - Risk Management Committee - Debt Recovery Committee - Purchase Committee - Disciplinary Committee - Corporate Governance Committee The Appointment date as a management: 1 st Mar 2013	48	LL.M. ,Widener University, Delaware, USA. <u>Training Program</u> -Director Certification Program Class 199/2015 - Corporate Governance for Capital market Intermediaries 5/2015 from Thai Institute of Directors Association (IOD) - ASCO Compliance Training Program from ASCO	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jan 2010 - Feb 2013 Senior Vice President COO Office (Corporate Strategy) KGI Securities (Thailand) Plc. Jun 2005 - Aug 2006 Vice President, Legal and Debt Recovery Division KGI Securities (Thailand) Plc. Apr 1996 - May 2005 Legal Officer The Office of the Securities and Exchange Commission <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> Nov 2011 - Present Authorized Director One Asset Management Limited

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
33) Ms. Nongluk Ningsanond Position in the Company: -Company Secretary -Executive Vice President Company Secretary Office - Risk Management Committee - Purchase Committee - Corporate Governance Committee The Appointment date as a management : 1 st Apr 2008	54	-Bachelor of Economics, Thammasat University, Thailand -MBA, 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 Capital Market Intermediaries Class 1/2014 from Thai Institute of Directors Association (IOD)	Beginning of the year = 0.000003% Ending of the year = 0.000003% (55 Shares) (No trading transaction in 2016)	-None-	<u>Work experiences</u> 1997 - Mar 2008 -Senior Vice President (2001 - 2008) -Vice President (1997 - 2001) KGI Securities (Thailand) Plc. 1992 - 1997 Vice President Investment Banking Department First Asia Securities Plc. <u>Position in Other listed companies</u> <u>Position in Other non-listed companies</u> -None-

The position of Directors and Management in subsidiary and related companies (As of 31st December 2016)

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. Picharn Kullavanijaya	D	-	-	-
5) Mr. Pradit Sawattananond	D, G	-	-	-
6) Mr. Chih - Hung Lin	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) Ms. Pi - Lin Huang	C	-	-	-
11) Mr. Yen, Chih Chien	C	-	-	-
12) Mr. Shaw – Tzeng Ding	C	-	-	-
13) Mr. Somchai Kanjanapetcharat	J	-	-	-
14) Mr. Suthep Rungsiam	K	-	-	-
15) Ms. Jariya Posayajinda	K	-	-	-
16) Mr. Apichart Tungkiatsilp	K	-	-	-
17) Ms. Patchpon Sankaburanuruk	K	-	-	-
18) Mr. Jenvit Chinkulkitniwat	K	-	-	-
19) Ms. Saranya Larksukthom	M	-	-	-
20) Mr. Somchai Siripaiboolpong	N	-	-	-
21) Ms. Songsri Chawengsataporn	N	-	-	-
22) Ms. Dutsanee Pamontip	N	-	-	-
23) Ms. Warunlak Aiemmeechai	N	-	-	-
24) Mr. Kamthorn Chinsakuljaroen	N	-	-	-
25) Mr. Viwat Charoenthangvitaya	N	-	-	-
26) Mr. Hua- Feng Chang	N	-	-	-
27) Ms. Kannikar Pradiskesorn	N	-	-	-
28) Ms. Inchaya Chatchersak	N	-	-	-
29) Ms. Khunmira Thunnom	N, O	-	-	-
30) Ms. Acharee Turongsomboon	N	-	-	-
31) Mr. Sumek Chantrasuriyarat	N	-	-	-
32) Ms. Nantararat Surakhaka	N	H , E	-	-
33) 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

Company 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
KTHL : KGI (Thailand) Holdings Limited

HOLDCO: KGI Securities (Thailand) International Holdings Limited

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

Information of subsidiaries' Executives (As of 31st December 2016)

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. Chih - Hung Lin	C	B	B
Ms. Bee Leng Ooi	-	B	B
Mr. Pote Harinasuta	C , D	-	-
Mr. Sakda Manwapat	C , D	-	-
Ms. Nantarat 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

Information of Head of Audit Department

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect) (%)	Relationship among Director and management	Work experiences and Position in other companies
<p>Ms. Rungthip Vanitchapan</p> <p>Position in the Company: -Senior Vice President Audit Department -Disciplinary Committee -Corporate Governance Committee</p> <p>The Appointment date as a management: 1st Feb 2016</p>	46	<p>-Master of Communication Arts (Advertising), Bangkok University</p> <p>-Bachelor of Business Administration (Finance), Thammasat University</p> <p><u>Training Program</u> -COSO 2013 Internal Control framework by Federation of Accounting Professions -FATCA Workshop (Foreign Account Tax Compliance Act) 2013 by Association of Securities Companies (ASCO) -The Anti-Money Laundering Act and Financial support for terrorism Act. 1999 by the Anti-Money Laundering Office (AMLO) -Foreign Investment Course 2010 by Bank of Thailand (BOT)</p>	<p>Beginning of the year = 0%</p> <p>Ending of the year = 0%</p> <p>(No trading transaction in 2016)</p>	-None-	<p><u>Work experiences</u> Jun. 2006 - Jan 2016 Senior Manager Compliance Department, Thanachart Securities Plc.</p> <p>May 2005- Mar 2006 Marketing Communications Manager, Payment Solution Co.,Ltd., (Shin Corporation Group)</p> <p>Nov.2004 - May 2005 Corporate Public Relations Manager, Office of Bangkok Fashion City By Ministry of Industry.</p> <p>Nov.2001- Nov 2004 Marketing Manager, WinStore Co., Ltd.</p> <p>Aug.1995 - Oct. 2000 Senior Officer, Members Supervision & Examination Department The Stock Exchange of Thailand</p> <p><u>Position in Other listed companies</u> -None-</p> <p><u>Position in Other non-listed companies</u> -None-</p>

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.

Information of Head of Legal & Compliance Department

Name / Position	Age (Years)	Education / Training	Portion of shares held in company (Direct and Indirect)(%)	Relationship among Director and management	Work experiences and Position in other companies
Ms. Nantararat Surakhaka * Position in the Company: -Executive Vice President, COO Office Support Department - Risk Management Committee - Debt Recovery Committee - Purchase Committee - Disciplinary Committee - Corporate Governance Committee The Appointment date as a management: 1 st Mar 2013	48	LL.M. ,Widener University, Delaware, USA. <u>Training Program</u> -Director Certification Program Class 199/2015 - Corporate Governance for Capital market Intermediaries 5/2015 from Thai Institute of Directors Association (IOD) - ASCO Compliance Training Program from ASCO	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2016)	-None-	<u>Work experiences</u> Jan 2010 - Feb 2013 Senior Vice President COO Office (Corporate Strategy) KGI Securities (Thailand) Plc. Jun 2005 - Aug 2006 Vice President, Legal and Debt Recovery Division KGI Securities (Thailand) Plc. Apr 1996 - May 2005 Legal Officer The Office of the Securities and Exchange Commission <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> Nov 2011 - Present Authorized Director One Asset Management Limited

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.

Underlying company information of the remaining DWs and History of DW issued by the Company for the past 2 years (2015 - 2016)

Underlying company information of the remaining DWs

Underlying company information of the remaining DWs (from Underlying company's website as of 31st December 2016) are as follows:

No	Stocks	Company's name	Website
1	AAV	ASIA AVIATION PUBLIC COMPANY LIMITED	http://www.aavplc.com
2	ADVANC	ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED	http://investor.ais.co.th
3	AOT	AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED	www.airportthai.co.th
4	BA	BANGKOK AIRWAYS PUBLIC COMPANY LIMITED	http://www.bangkokair.com
5	BANPU	BANPU PUBLIC COMPANY LIMITED	http://www.banpu.com
6	BBL	BANGKOK BANK PUBLIC COMPANY LIMITED	www.bangkokbank.com
7	BCH	BANGKOK CHAIN HOSPITAL PUBLIC COMPANY LIMITED	www.bangkokchainhospital.com
8	BDMS	BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED	www.bangkokhospital.com
9	BEAUTY	BEAUTY COMMUNITY PUBLIC COMPANY LIMITED	www.beautycommunity.co.th
10	BEM	BANGKOK EXPRESSWAY AND METRO PUBLIC COMPANY LIMITED	www.bemplc.co.th
11	BTS	BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED	http://www.btsgroup.co.th
12	CBG	CARABAO GROUP PUBLIC COMPANY LIMITED	www.carabaogroup.com
13	CHG	CHULARAT HOSPITAL PUBLIC COMPANY LIMITED	www.chularat.com
14	CK	CH. KARNCHANG PUBLIC COMPANY LIMITED	http://www.ch-karnchang.co.th
15	CKP	CK POWER PUBLIC COMPANY LIMITED	www.ckpower.co.th
16	CPALL	CP ALL PUBLIC COMPANY LIMITED	www.cpall.co.th
17	CPF	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	www.cpfworldwide.com
18	DTAC	TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED	www.dtac.co.th
19	EPG	EASTERN POLYMER GROUP PUBLIC COMPANY LIMITED	www.epg.co.th
20	ERW	THE ERAWAN GROUP PUBLIC COMPANY LIMITED	http://www.theerawan.com
21	GL	GROUP LEASE PUBLIC COMPANY LIMITED	www.grouplease.co.th
22	GPSC	GLOBAL POWER SYNERGY PUBLIC COMPANY LIMITED	http://www.gpscgroup.com
23	GUNKUL	GUNKUL ENGINEERING PUBLIC COMPANY LIMITED	http://www.gunkul.com
24	IFEC	INTER FAR EAST ENERGY CORPORATION PUBLIC COMPANY LIMITED	www.ifec.co.th
25	INTUCH	INTOUCH HOLDINGS PUBLIC COMPANY LIMITED	www.intouchcompany.com
26	IRPC	IRPC PUBLIC COMPANY LIMITED	www.irpc.co.th
27	ITD	ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED	http://www.itd.co.th
28	IVL	INDORAMA VENTURES PUBLIC COMPANY LIMITED	www.indoramaventures.com
29	JAS	JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED	http://www.jasmine.com
30	KBANK	KASIKORNBANK PUBLIC COMPANY LIMITED	www.kasikornbank.com

Underlying company information of the remaining DWs (Continue)

No	Stocks	Company's name	Website
31	KCE	KCE ELECTRONICS PUBLIC COMPANY LIMITED	www.kcethai.in.th
32	KTB	KRUNG THAI BANK PUBLIC COMPANY LIMITED	http://www.ktb.co.th
33	KTC	KRUNGTHAI CARD PUBLIC COMPANY LIMITED	www.ktc.co.th
34	MINT	MINOR INTERNATIONAL PUBLIC COMPANY LIMITED	www.minorinternational.com
35	MTLS	MUANGTHAI LEASING PUBLIC COMPANY LIMITED	www.muangthaileasing.co.th
36	PLAT	THE PLATINUM GROUP PUBLIC COMPANY LIMITED	http://theplatinumgroup.co.th
37	PTG	PTG ENERGY PUBLIC COMPANY LIMITED	www.ptgenergy.co.th
38	PTT	PTT PUBLIC COMPANY LIMITED	http://www.pttplc.com
39	PTTEP	PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED	www.pttep.com
40	PTTGC	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	www.pttgcgroup.com
41	SAWAD	SRISAWAD POWER 1979 PUBLIC COMPANY LIMITED	http://www.meebaanmeerod.com
42	SCB	THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED	www.scb.co.th
43	SCC	THE SIAM CEMENT PUBLIC COMPANY LIMITED	www.scg.co.th
44	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC CO.,LTD.	www.stecon.co.th
45	STPI	STP&I PUBLIC COMPANY LIMITED	www.stpi.co.th
46	TASCO	TIPCO ASPHALT PUBLIC COMPANY LIMITED	http://www.tipcoasphalt.com
47	THAI	THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED	http://www.thaiairways.com
48	THCOM	THAICOM PUBLIC COMPANY LIMITED	www.thaicom.net
49	TISCO	TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED	http://www.tisco.co.th
50	TOP	THAI OIL PUBLIC COMPANY LIMITED	www.thaioilgroup.com
51	TPIPL	TPI POLENE PUBLIC COMPANY LIMITED	http://www.tpipolene.co.th
52	TRUE	TRUE CORPORATION PUBLIC COMPANY LIMITED	http://www.truecorp.co.th
53	TTA	THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED	http://www.thoresen.com
54	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	http://www.unique.co.th
55	UV	UNIVENTURES PUBLIC COMPANY LIMITED	www.univentures.co.th
56	VGI	VGI GLOBAL MEDIA PUBLIC COMPANY LIMITED	www.vgi.co.th
57	VNG	VANACHAI GROUP PUBLIC COMPANY LIMITED	www.vanachai.com
58	WHA	WHA CORPORATION PUBLIC COMPANY LIMITED	www.wha.co.th
59	WORK	WORKPOINT ENTERTAINMENT PUBLIC COMPANY LIMITED	http://www.workpoint.co.th

History of DW issued by the Company for the past 2 years (2015-2016)

No.	Name of DW	First Trading Date	Maturity Date
1	BMCL13C1506A	Jan 08, 2015	Jun 16, 2015
2	PTT13P1504A	Jan 09, 2015	Apr 20, 2015
3	STEC13C1505A	Jan 09, 2015	May 27, 2015
4	TRUE13P1505A	Jan 09, 2015	May 27, 2015
5	BBL13C1506A	Jan 09, 2015	Jun 10, 2015
6	JAS13P1505A	Jan 12, 2015	Jun 04, 2015
7	BDMS13C1506A	Jan 12, 2015	Jun 09, 2015
8	THAI13C1506A	Jan 12, 2015	Jun 10, 2015
9	SCC13C1507A	Jan 12, 2015	Jul 15, 2015
10	INTU13P1506A	Jan 13, 2015	Jun 10, 2015
11	KBAN13P1506A	Jan 13, 2015	Jul 02, 2015
12	KTB13C1506A	Jan 13, 2015	Jul 02, 2015
13	BANP13C1507A	Jan 13, 2015	Jul 15, 2015
14	IVL13C1506A	Jan 14, 2015	Jun 12, 2015
15	PTTG13C1506A	Jan 14, 2015	Jun 12, 2015
16	IRPC13C1507A	Jan 14, 2015	Jul 15, 2015
17	KBAN13C1507A	Jan 14, 2015	Jul 15, 2015
18	JAS13C1509A	Jan 15, 2015	Sep 08, 2015
19	BMCL13C1504A	Jan 26, 2015	Apr 09, 2015
20	PTT13C1506A	Jan 26, 2015	Jul 03, 2015
21	ITD13C1506A	Jan 28, 2015	Jun 11, 2015
22	TRUE13C1506A	Jan 29, 2015	Jul 03, 2015
23	TPIP13C1507A	Feb 02, 2015	Jul 16, 2015
24	SGP13C1507A	Feb 04, 2015	Jul 16, 2015
25	TMB13C1507A	Feb 06, 2015	Jul 16, 2015
26	BLAN13C1507A	Feb 06, 2015	Jul 24, 2015
27	DTAC13C1507A	Feb 06, 2015	Jul 24, 2015
28	VGI13C1507A	Feb 06, 2015	Jul 24, 2015
29	SCB13C1506A	Feb 09, 2015	Jun 09, 2015
30	PTT13C1507A	Feb 09, 2015	Jul 09, 2015
31	BBL13P1507A	Feb 09, 2015	Jul 29, 2015
32	SCB13P1507A	Feb 09, 2015	Jul 29, 2015
33	TTA13P1507A	Feb 09, 2015	Jul 29, 2015
34	CPF13C1507A	Feb 12, 2015	Aug 05, 2015
35	EART13C1507A	Feb 12, 2015	Aug 05, 2015
36	TPIP13C1506A	Feb 13, 2015	Jul 03, 2015
37	IRPC13C1508A	Feb 17, 2015	Aug 11, 2015
38	IVL13C1508A	Feb 17, 2015	Aug 11, 2015
39	S5013C1506A	Feb 19, 2015	Jul 06, 2015
40	S5013P1506A	Feb 19, 2015	Jul 06, 2015
41	THCO13C1508A	Feb 26, 2015	Aug 26, 2015
42	LH13C1511A	Feb 26, 2015	Nov 26, 2015
43	ADVA13C1508A	Feb 27, 2015	Aug 10, 2015
44	AOT13C1508A	Feb 27, 2015	Aug 26, 2015
45	TPIP13C1509A	Feb 27, 2015	Sep 10, 2015
46	INTU13C1510A	Feb 27, 2015	Oct 12, 2015
47	IVL13P1511A	Feb 27, 2015	Nov 26, 2015
48	PTT13P1508A	Mar 11, 2015	Aug 11, 2015

No.	Name of DW	First Trading Date	Maturity Date
49	TRUE13P1508A	Mar 11, 2015	Aug 20, 2015
50	CK13C1509A	Mar 12, 2015	Sep 22, 2015
51	AAV13C1510A	Mar 17, 2015	Oct 15, 2015
52	S5013C1506B	Mar 20, 2015	Jul 06, 2015
53	S5013P1506B	Mar 20, 2015	Jul 06, 2015
54	ITD13C1507A	Mar 20, 2015	Jul 09, 2015
55	TPIP13C1508A	Mar 27, 2015	Aug 26, 2015
56	ADVA13P1510A	Mar 27, 2015	Oct 20, 2015
57	BTS13C1510A	Mar 27, 2015	Oct 20, 2015
58	PTTE13C1510A	Mar 27, 2015	Oct 20, 2015
59	SAMA13C1510A	Mar 27, 2015	Oct 20, 2015
60	CPF13C1511A	Mar 27, 2015	Nov 26, 2015
61	CK13C1508A	Mar 30, 2015	Aug 11, 2015
62	TTA13C1509A	Mar 30, 2015	Sep 15, 2015
63	IRPC13P1509A	Mar 31, 2015	Sep 18, 2015
64	ITD13P1509A	Mar 31, 2015	Sep 18, 2015
65	BANP13P1510A	Mar 31, 2015	Oct 20, 2015
66	SCC13P1510A	Mar 31, 2015	Oct 20, 2015
67	STEC13C1510A	Mar 31, 2015	Oct 20, 2015
68	TRUE13C1509A	Apr 27, 2015	Sep 30, 2015
69	BMCL13C1508A	Apr 28, 2015	Aug 18, 2015
70	PTT13C1509A	Apr 28, 2015	Sep 23, 2015
71	KTC13C1510A	Apr 28, 2015	Oct 13, 2015
72	TTCL13C1510A	Apr 28, 2015	Oct 14, 2015
73	TOP13C1510A	Apr 28, 2015	Nov 05, 2015
74	HEMR13C1512A	Apr 28, 2015	Dec 08, 2015
75	SGP13C1512A	Apr 28, 2015	Dec 14, 2015
76	PTT13P1509A	Apr 29, 2015	Sep 14, 2015
77	SCB13C1509A	Apr 29, 2015	Sep 14, 2015
78	TRUE13P1509A	Apr 29, 2015	Sep 30, 2015
79	SAWA13C1510A	Apr 29, 2015	Oct 09, 2015
80	BBL13C1510A	Apr 29, 2015	Oct 14, 2015
81	KTB13C1511A	Apr 29, 2015	Nov 18, 2015
82	STPI13C1510A	May 06, 2015	Oct 14, 2015
83	PTTG13C1510A	May 06, 2015	Oct 26, 2015
84	SCC13C1510A	May 06, 2015	Oct 26, 2015
85	CPAL13C1512A	May 06, 2015	Dec 14, 2015
86	ITD13C1510A	May 07, 2015	Oct 08, 2015
87	PTTE13P1511A	May 07, 2015	Nov 11, 2015
88	BCP13C1511A	May 07, 2015	Nov 18, 2015
89	MINT13C1512A	May 07, 2015	Dec 22, 2015
90	TPIP13C1510A	May 08, 2015	Oct 08, 2015
91	JAS13P1511A	May 08, 2015	Nov 11, 2015
92	AAV13C1512A	May 08, 2015	Dec 23, 2015
93	BDMS13C1512A	May 08, 2015	Dec 23, 2015
94	KBAN13C1511A	May 11, 2015	Dec 04, 2015
95	BJCH13C1512A	May 11, 2015	Dec 23, 2015
96	IRPC13C1510A	May 13, 2015	Oct 13, 2015
97	IVL13C1510A	May 13, 2015	Oct 13, 2015
98	JAS13C1510A	May 13, 2015	Oct 13, 2015

No.	Name of DW	First Trading Date	Maturity Date
99	TMB13C1511A	May 13, 2015	Nov 23, 2015
100	TPIP13P1510A	May 14, 2015	Oct 08, 2015
101	TRUE13C1510A	May 14, 2015	Nov 05, 2015
102	TTA13C1511A	May 15, 2015	Dec 02, 2015
103	SAMA13C1512A	May 15, 2015	Dec 22, 2015
104	THAI13C1512A	May 15, 2015	Dec 22, 2015
105	VGI13C1512A	May 15, 2015	Dec 22, 2015
106	JAS13C1511A	May 18, 2015	Nov 11, 2015
107	INTU13P1601A	May 19, 2015	Jan 19, 2016
108	KBAN13P1601A	May 19, 2015	Jan 19, 2016
109	BBL13P1511A	May 20, 2015	Nov 24, 2015
110	SCB13P1601A	May 20, 2015	Jan 14, 2016
111	S5013C1508A	May 27, 2015	Sep 03, 2015
112	S5013P1508A	May 27, 2015	Sep 03, 2015
113	KBAN13C1510A	Jun 03, 2015	Oct 08, 2015
114	STA13C1601A	Jun 03, 2015	Jan 19, 2016
115	AOT13C1512A	Jun 04, 2015	Dec 11, 2015
116	S5013C1508B	Jun 15, 2015	Sep 03, 2015
117	BH13C1511A	Jun 24, 2015	Nov 27, 2015
118	KTB13C1512A	Jun 24, 2015	Dec 18, 2015
119	KTB13P1512A	Jun 24, 2015	Dec 18, 2015
120	BANP13C1512A	Jun 30, 2015	Dec 21, 2015
121	CK13C1512A	Jun 30, 2015	Dec 25, 2015
122	BAY13C1606A	Jun 30, 2015	Jun 30, 2016
123	BCH13C1606A	Jun 30, 2015	Jun 30, 2016
124	BJC13C1606A	Jun 30, 2015	Jun 30, 2016
125	MEGA13C1606A	Jun 30, 2015	Jun 30, 2016
126	SIM13C1606A	Jun 30, 2015	Jun 30, 2016
127	STA13C1606A	Jun 30, 2015	Jun 30, 2016
128	S5013C1509A	Jul 06, 2015	Oct 05, 2015
129	S5013P1509A	Jul 06, 2015	Oct 05, 2015
130	TPIP13P1512A	Jul 08, 2015	Dec 18, 2015
131	ADVA13C1601A	Jul 08, 2015	Jan 22, 2016
132	DTAC13C1601A	Jul 08, 2015	Jan 22, 2016
133	IVL13C1601A	Jul 08, 2015	Jan 22, 2016
134	SCB13C1601A	Jul 08, 2015	Jan 22, 2016
135	BA13C1602A	Jul 09, 2015	Feb 17, 2016
136	CBG13C1602A	Jul 09, 2015	Feb 17, 2016
137	TPIP13C1512A	Jul 21, 2015	Dec 11, 2015
138	SAMA13C1601A	Jul 27, 2015	Jan 22, 2016
139	PTTE13C1512A	Jul 28, 2015	Dec 14, 2015
140	PTT13C1512A	Jul 28, 2015	Dec 21, 2015
141	BBL13C1601A	Jul 28, 2015	Jan 28, 2016
142	KBAN13P1602A	Jul 28, 2015	Feb 17, 2016
143	S5013C1509B	Jul 31, 2015	Oct 05, 2015
144	S5013P1509B	Jul 31, 2015	Oct 05, 2015
145	TPIP13C1511A	Aug 03, 2015	Dec 03, 2015
146	ITD13C1601A	Aug 03, 2015	Jan 22, 2016
147	KBAN13C1512A	Aug 05, 2015	Dec 11, 2015
148	IRPC13C1601A	Aug 05, 2015	Jan 15, 2016

No.	Name of DW	First Trading Date	Maturity Date
149	TOP13C1601A	Aug 05, 2015	Jan 15, 2016
150	BH13C1602A	Aug 14, 2015	Feb 16, 2016
151	DTAC13C1512A	Aug 17, 2015	Dec 25, 2015
152	TRUE13C1601A	Aug 17, 2015	Jan 28, 2016
153	S5013C1510A	Aug 18, 2015	Nov 04, 2015
154	PTT13P1601A	Aug 18, 2015	Jan 21, 2016
155	IRPC13P1602A	Aug 18, 2015	Feb 26, 2016
156	ITD13P1602A	Aug 18, 2015	Feb 26, 2016
157	PTT13C1511A	Aug 24, 2015	Nov 24, 2015
158	CENT13C1601A	Aug 25, 2015	Jan 21, 2016
159	S5013P1510A	Aug 27, 2015	Nov 04, 2015
160	PTTE13P1512A	Aug 28, 2015	Dec 25, 2015
161	IVL13C1512A	Aug 31, 2015	Dec 25, 2015
162	PTT13P1512A	Aug 31, 2015	Dec 25, 2015
163	TRUE13C1602A	Aug 31, 2015	Feb 19, 2016
164	PTTE13C1601A	Sep 01, 2015	Jan 15, 2016
165	BANP13C1602A	Sep 01, 2015	Feb 24, 2016
166	PTTG13C1602A	Sep 01, 2015	Feb 24, 2016
167	BH13P1602A	Sep 03, 2015	Feb 16, 2016
168	IRPC13C1602A	Sep 03, 2015	Feb 17, 2016
169	CPF13C1603A	Sep 03, 2015	Mar 16, 2016
170	INTU13C1603A	Sep 03, 2015	Mar 16, 2016
171	SCC13C1603A	Sep 03, 2015	Mar 25, 2016
172	S5013C1510B	Sep 04, 2015	Nov 04, 2015
173	S5013P1510B	Sep 04, 2015	Nov 04, 2015
174	PTTG13C1601A	Sep 04, 2015	Jan 20, 2016
175	CKP13C1603A	Sep 07, 2015	Mar 29, 2016
176	IVL13C1602A	Sep 09, 2015	Feb 16, 2016
177	PS13C1603A	Sep 14, 2015	Mar 22, 2016
178	JAS13C1602A	Sep 15, 2015	Feb 08, 2016
179	TTA13C1602A	Sep 17, 2015	Feb 23, 2016
180	STEC13C1603A	Sep 17, 2015	Mar 22, 2016
181	S5013C1511A	Sep 23, 2015	Dec 03, 2015
182	S5013P1511A	Sep 23, 2015	Dec 03, 2015
183	TRUE13P1602A	Sep 24, 2015	Feb 19, 2016
184	QH13C1603A	Sep 28, 2015	Mar 30, 2016
185	S5013C1511B	Oct 01, 2015	Dec 03, 2015
186	S5013P1511B	Oct 01, 2015	Dec 03, 2015
187	EART13C1603A	Oct 01, 2015	Mar 30, 2016
188	S5013P1511C	Oct 02, 2015	Dec 03, 2015
189	DTAC13C1603A	Oct 08, 2015	Mar 11, 2016
190	KTB13C1603A	Oct 08, 2015	Mar 11, 2016
191	PTT13C1603A	Oct 08, 2015	Mar 11, 2016
192	TPIP13C1603A	Oct 08, 2015	Mar 11, 2016
193	KBAN13C1602A	Oct 09, 2015	Feb 17, 2016
194	ADVA13P1603A	Oct 09, 2015	Mar 11, 2016
195	AOT13C1603A	Oct 09, 2015	Mar 11, 2016
196	SCC13P1603A	Oct 09, 2015	Mar 25, 2016
197	BBL13P1603A	Oct 12, 2015	Mar 15, 2016
198	KTC13C1603A	Oct 12, 2015	Mar 15, 2016

No.	Name of DW	First Trading Date	Maturity Date
199	SCB13P1603A	Oct 12, 2015	Mar 15, 2016
200	S5013C1512A	Oct 13, 2015	Jan 06, 2016
201	S5013P1512A	Oct 13, 2015	Jan 06, 2016
202	BANP13C1604A	Oct 20, 2015	Apr 11, 2016
203	TPIP13C1604A	Oct 20, 2015	Apr 11, 2016
204	S5013C1512B	Oct 22, 2015	Jan 06, 2016
205	S5013P1512B	Oct 22, 2015	Jan 06, 2016
206	GUNK13C1604A	Oct 29, 2015	Apr 28, 2016
207	S5013C1512C	Nov 04, 2015	Jan 06, 2016
208	PTT13C1604A	Nov 10, 2015	Apr 08, 2016
209	CK13C1605A	Nov 10, 2015	May 30, 2016
210	SAWA13C1605A	Nov 10, 2015	May 30, 2016
211	TMB13C1605A	Nov 10, 2015	May 30, 2016
212	PTTE13P1604A	Nov 12, 2015	Apr 12, 2016
213	KTB13P1605A	Nov 12, 2015	May 31, 2016
214	SCB13C1605A	Nov 12, 2015	May 31, 2016
215	CPAL13C1606A	Nov 12, 2015	Jun 30, 2016
216	ADVA13C1605A	Nov 18, 2015	May 31, 2016
217	JAS13C1605A	Nov 18, 2015	May 31, 2016
218	TOP13C1606A	Nov 18, 2015	Jun 20, 2016
219	WHA13C1606A	Nov 18, 2015	Jun 20, 2016
220	S5013C1601A	Nov 23, 2015	Feb 03, 2016
221	S5013P1601A	Nov 23, 2015	Feb 03, 2016
222	MINT13C1606A	Nov 23, 2015	Jun 29, 2016
223	PTT13P1606A	Nov 24, 2015	Jun 07, 2016
224	DTAC13P1605A	Nov 27, 2015	May 31, 2016
225	TRUE13C1605A	Dec 03, 2015	May 30, 2016
226	JAS13C1606A	Dec 03, 2015	Jun 29, 2016
227	DTAC13C1605A	Dec 04, 2015	May 31, 2016
228	INTU13C1605A	Dec 04, 2015	May 31, 2016
229	PTTE13C1605A	Dec 04, 2015	May 31, 2016
230	SAMA13C1605A	Dec 09, 2015	May 31, 2016
231	S5013C1602A	Dec 14, 2015	Mar 03, 2016
232	S5013P1602A	Dec 14, 2015	Mar 03, 2016
233	TPIP13C1606A	Dec 17, 2015	Jun 17, 2016
234	ITD13C1606A	Dec 17, 2015	Jun 28, 2016
235	S5013C1603A	Dec 28, 2015	Apr 05, 2016
236	S5013P1603A	Dec 28, 2015	Apr 05, 2016
237	DTAC13P1606A	Jan 06, 2016	Jun 13, 2016
238	DTAC13C1606A	Jan 06, 2016	Jun 13, 2016
239	ADVA13P1606A	Jan 06, 2016	Jun 13, 2016
240	ADVA13C1606A	Jan 06, 2016	Jun 13, 2016
241	TRUE13P1606A	Jan 07, 2016	Jun 13, 2016
242	TRUE13C1606A	Jan 07, 2016	Jun 13, 2016
243	PTT13P1607A	Jan 08, 2016	Jul 11, 2016
244	PTT13C1607A	Jan 08, 2016	Jul 11, 2016
245	EPG13C1606A	Jan 08, 2016	Jun 21, 2016
246	KBAN13C1606A	Jan 13, 2016	Jun 28, 2016
247	BBL13C1606A	Jan 13, 2016	Jun 28, 2016
248	BANP13C1609A	Jan 13, 2016	Oct 06, 2016

No.	Name of DW	First Trading Date	Maturity Date
249	INTU13P1606A	Jan 14, 2016	Jun 09, 2016
250	INTU13C1606A	Jan 14, 2016	Jun 09, 2016
251	ADVA13C1605B	Jan 14, 2016	May 18, 2016
252	S5013C1603C	Jan 15, 2016	Apr 05, 2016
253	S5013P1603B	Jan 15, 2016	Apr 05, 2016
254	S5013C1603B	Jan 15, 2016	Apr 05, 2016
255	PTTG13C1606A	Jan 18, 2016	Jun 16, 2016
256	IVL13C1606A	Jan 18, 2016	Jun 16, 2016
257	TASC13C1607A	Jan 19, 2016	Jul 21, 2016
258	SCC13C1607A	Jan 29, 2016	Jul 21, 2016
259	JAS13C1607A	Jan 29, 2016	Jul 21, 2016
260	CHG13C1608A	Jan 29, 2016	Aug 08, 2016
261	KTC13C1608A	Feb 09, 2016	Aug 22, 2016
262	IRPC13C1608A	Feb 09, 2016	Aug 22, 2016
263	CPF13C1608A	Feb 09, 2016	Aug 24, 2016
264	AOT13C1608A	Feb 09, 2016	Aug 24, 2016
265	S5013P1606B	Feb 12, 2016	Jul 06, 2016
266	S5013C1606B	Feb 12, 2016	Jul 06, 2016
267	S5013P1606A	Feb 12, 2016	Jul 06, 2016
268	S5013C1606A	Feb 12, 2016	Jul 06, 2016
269	CKP13C1609A	Feb 15, 2016	Sep 22, 2016
270	KBAN13P1607A	Feb 23, 2016	Jul 27, 2016
271	ITD13P1607A	Feb 23, 2016	Jul 27, 2016
272	AAV13C1607A	Feb 23, 2016	Jul 27, 2016
273	AOT13P1608A	Feb 26, 2016	Aug 11, 2016
274	THAI13C1609A	Feb 26, 2016	Sep 22, 2016
275	CK13C1608A	Feb 26, 2016	Aug 31, 2016
276	TASC13C1608A	Mar 03, 2016	Aug 31, 2016
277	TRUE13C1608A	Mar 04, 2016	Aug 24, 2016
278	KTB13C1610A	Mar 04, 2016	Oct 26, 2016
279	ITD13C1609A	Mar 04, 2016	Sep 28, 2016
280	RS13C1609A	Mar 07, 2016	Sep 28, 2016
281	S5013P1606C	Mar 08, 2016	Jul 06, 2016
282	S5013C1606C	Mar 08, 2016	Jul 06, 2016
283	DTAC13C1609A	Mar 11, 2016	Sep 15, 2016
284	PTTE13C1608A	Mar 14, 2016	Aug 24, 2016
285	GUNK13C1608A	Mar 16, 2016	Aug 24, 2016
286	SCC13C1610A	Mar 21, 2016	Oct 19, 2016
287	PTTE13P1608A	Mar 28, 2016	Aug 24, 2016
288	PTT13C1608A	Mar 29, 2016	Aug 29, 2016
289	ADVA13C1610A	Mar 29, 2016	Oct 27, 2016
290	S5013P1606D	Apr 05, 2016	Jul 06, 2016
291	S5013C1606D	Apr 05, 2016	Jul 06, 2016
292	STEC13C1610A	Apr 07, 2016	Oct 27, 2016
293	CK13C1610A	Apr 07, 2016	Oct 27, 2016
294	ADVA13P1610A	Apr 08, 2016	Oct 27, 2016
295	BDMS13C1610A	Apr 08, 2016	Oct 27, 2016
296	TTA13C1610A	Apr 20, 2016	Nov 02, 2016
297	JAS13C1610A	Apr 20, 2016	Nov 02, 2016
298	IVL13C1612A	Apr 29, 2016	Dec 22, 2016

No.	Name of DW	First Trading Date	Maturity Date
299	GPSC13C1612A	Apr 29, 2016	Dec 22, 2016
300	BANP13C1612A	Apr 29, 2016	Dec 22, 2016
301	PTT13P1612A	May 03, 2016	Dec 28, 2016
302	TASC13C1612A	May 03, 2016	Dec 28, 2016
303	IRPC13C1612A	May 03, 2016	Dec 28, 2016
304	INTU13C1612A	May 03, 2016	Dec 28, 2016
305	SCB13C1612A	May 09, 2016	Dec 28, 2016
306	PTTE13C1610A	May 09, 2016	Oct 19, 2016
307	GL13C1612A	May 09, 2016	Dec 28, 2016
308	S5013P1609A	May 10, 2016	Oct 05, 2016
309	S5013C1609A	May 10, 2016	Oct 05, 2016
310	PTT13P1611A	May 16, 2016	Dec 07, 2016
311	BBL13P1611A	May 16, 2016	Dec 07, 2016
312	ADVA13P1611A	May 16, 2016	Dec 07, 2016
313	TOP13C1611A	May 16, 2016	Dec 07, 2016
314	SCC13C1611A	May 16, 2016	Dec 07, 2016
315	PTT13C1611A	May 16, 2016	Dec 07, 2016
316	KBAN13C1611A	May 16, 2016	Dec 07, 2016
317	ITD13C1611A	May 16, 2016	Dec 07, 2016
318	INTU13C1611A	May 16, 2016	Dec 07, 2016
319	BBL13C1611A	May 16, 2016	Dec 07, 2016
320	BANP13C1611A	May 16, 2016	Dec 07, 2016
321	AOT13C1611A	May 16, 2016	Dec 07, 2016
322	ADVA13C1611A	May 16, 2016	Dec 07, 2016
323	S5013P1609B	May 18, 2016	Oct 05, 2016
324	S5013C1609B	May 18, 2016	Oct 05, 2016
325	CPF13C1612A	May 18, 2016	Dec 28, 2016
326	TRUE13P1612A	May 30, 2016	Dec 21, 2016
327	TIPI13C1612A	May 30, 2016	Dec 21, 2016
328	PTTG13C1611A	May 30, 2016	Dec 07, 2016
329	PTTE13P1611A	May 31, 2016	Dec 07, 2016
330	PTTE13C1611A	May 31, 2016	Dec 07, 2016
331	THAI13C1612A	Jun 01, 2016	Dec 09, 2016
332	S5013P1609C	Jun 06, 2016	Oct 05, 2016
333	S5013C1609C	Jun 06, 2016	Oct 05, 2016
334	WHA13C1612A	Jun 06, 2016	Dec 22, 2016
335	TRUE13C1612A	Jun 03, 2016	Dec 21, 2016
336	DTAC13C1612A	Jun 03, 2016	Dec 21, 2016
337	GL13C1701A	Jun 09, 2016	Jan 18, 2017
338	VNG13C1701A	Jun 10, 2016	Jan 18, 2017
339	JAS13C1612A	Jun 16, 2016	Dec 22, 2016
340	EPG13C1612A	Jun 21, 2016	Dec 23, 2016
341	CPAL13C1611A	Jun 21, 2016	Dec 07, 2016
342	BANP13P1612A	Jun 23, 2016	Dec 22, 2016
343	THCO13C1701A	Jun 23, 2016	Jan 18, 2017
344	SCB13P1611A	Jun 24, 2016	Dec 07, 2016
345	KBAN13P1611A	Jun 24, 2016	Dec 07, 2016
346	MINT13C1701A	Jun 24, 2016	Jan 18, 2017
347	AAV13C1612A	Jun 24, 2016	Dec 22, 2016
348	THAI13C1701A	Jun 29, 2016	Jan 18, 2017

No.	Name of DW	First Trading Date	Maturity Date
349	UV13C1706A	Jun 30, 2016	Jun 28, 2017
350	PLAT13C1706A	Jun 30, 2016	Jun 28, 2017
351	JAS13C1709A	Jun 30, 2016	Sep 19, 2017
352	JAS13C1707A	Jun 30, 2016	Jul 20, 2017
353	JAS13C1706A	Jun 30, 2016	Jun 28, 2017
354	S5013P1609D	Jul 04, 2016	Oct 05, 2016
355	S5013C1609D	Jul 04, 2016	Oct 05, 2016
356	ITD13C1701A	Jul 05, 2016	Jan 26, 2017
357	BANP13C1701A	Jul 05, 2016	Jan 26, 2017
358	KTC13C1701A	Jul 07, 2016	Jan 26, 2017
359	ADVA13C1701A	Jul 07, 2016	Jan 18, 2017
360	THAI13C1702A	Jul 07, 2016	Feb 09, 2017
361	BEM13C1701A	Jul 07, 2016	Jan 26, 2017
362	TTA13C1701A	Jul 12, 2016	Jan 23, 2017
363	CKP13C1701A	Jul 12, 2016	Jan 23, 2017
364	BCH13C1701A	Jul 12, 2016	Jan 23, 2017
365	S5013P1609E	Jul 14, 2016	Oct 05, 2016
366	S5013C1609E	Jul 14, 2016	Oct 05, 2016
367	TRUE13C1701A	Jul 15, 2016	Jan 23, 2017
368	DTAC13P1612A	Jul 15, 2016	Dec 21, 2016
369	STEC13C1701A	Jul 20, 2016	Jan 25, 2017
370	SAWA13C1701A	Jul 20, 2016	Jan 25, 2017
371	DTAC13C1701A	Jul 20, 2016	Jan 25, 2017
372	TRUE13P1701A	Jul 21, 2016	Jan 23, 2017
373	CHG13C1701A	Jul 21, 2016	Jan 23, 2017
374	PTT13P1701A	Jul 25, 2016	Jan 16, 2017
375	PTT13C1612A	Jul 25, 2016	Dec 28, 2016
376	IRPC13C1701A	Jul 25, 2016	Jan 16, 2017
377	GL13C1702A	Jul 25, 2016	Feb 22, 2017
378	S5013P1611A	Aug 02, 2016	Dec 06, 2016
379	S5013C1611A	Aug 02, 2016	Dec 06, 2016
380	BA13C1701A	Aug 10, 2016	Jan 25, 2017
381	S5013P1612A	Aug 16, 2016	Jan 05, 2017
382	S5013C1612A	Aug 16, 2016	Jan 05, 2017
383	KCE13C1702A	Aug 15, 2016	Feb 22, 2017
384	CBG13C1702A	Aug 15, 2016	Feb 22, 2017
385	AOT13C1701A	Aug 15, 2016	Jan 30, 2017
386	IFEC13C1702A	Aug 18, 2016	Feb 20, 2017
387	BEAU13C1702A	Aug 30, 2016	Feb 20, 2017
388	BA13C1702A	Aug 30, 2016	Feb 09, 2017
389	S5013P1612B	Sep 02, 2016	Jan 05, 2017
390	S5013C1612B	Sep 02, 2016	Jan 05, 2017
391	KTC13C1702A	Sep 06, 2016	Feb 28, 2017
392	CPAL13C1702A	Sep 06, 2016	Feb 28, 2017
393	CBG13C1703A	Sep 06, 2016	Mar 09, 2017
394	S5013P1612C	Sep 19, 2016	Jan 05, 2017
395	S5013C1612C	Sep 19, 2016	Jan 05, 2017
396	CPF13C1705A	Sep 20, 2016	Jun 06, 2017
397	BANP13C1705A	Sep 20, 2016	Jun 06, 2017
398	CK13C1703A	Sep 20, 2016	Mar 23, 2017

No.	Name of DW	First Trading Date	Maturity Date
399	SCC13C1705A	Sep 21, 2016	Jun 06, 2017
400	SCB13C1705A	Sep 21, 2016	Jun 06, 2017
401	PTT13C1705A	Sep 21, 2016	Jun 06, 2017
402	KBAN13C1705A	Sep 21, 2016	Jun 06, 2017
403	TASC13C1703A	Sep 22, 2016	Mar 23, 2017
404	ITD13C1703A	Sep 22, 2016	Mar 23, 2017
405	PTG13C1703A	Sep 22, 2016	Mar 23, 2017
406	CHG13C1703A	Sep 22, 2016	Mar 23, 2017
407	TRUE13C1703A	Sep 30, 2016	Mar 15, 2017
408	PTTE13C1703A	Oct 05, 2016	Mar 15, 2017
409	KTB13C1705A	Oct 05, 2016	Jun 06, 2017
410	BDMS13C1703A	Oct 05, 2016	Mar 15, 2017
411	TTA13C1704A	Oct 14, 2016	May 04, 2017
412	TISC13C1704A	Oct 14, 2016	May 04, 2017
413	S5013P1612D	Oct 17, 2016	Jan 05, 2017
414	S5013C1612D	Oct 17, 2016	Jan 05, 2017
415	S5013P1612E	Oct 19, 2016	Jan 05, 2017
416	BANP13P1704A	Oct 21, 2016	May 04, 2017
417	STEC13C1704A	Oct 21, 2016	May 04, 2017
418	IFEC13C1704A	Oct 21, 2016	May 04, 2017
419	BANP13C1704A	Oct 21, 2016	May 04, 2017
420	ADVA13C1705A	Oct 21, 2016	Jun 06, 2017
421	PTT13P1705A	Oct 27, 2016	Jun 06, 2017
422	WHA13C1704A	Oct 27, 2016	May 04, 2017
423	BEAU13C1704A	Oct 27, 2016	May 04, 2017
424	AOT13C1703A	Nov 03, 2016	Apr 05, 2017
425	S5013P1612F	Nov 04, 2016	Jan 05, 2017
426	S5013C1612E	Nov 04, 2016	Jan 05, 2017
427	IVL13C1704A	Nov 08, 2016	Apr 26, 2017
428	STPI13C1704A	Nov 10, 2016	Apr 26, 2017
429	PTTG13C1705A	Nov 14, 2016	Jun 06, 2017
430	INTU13C1705A	Nov 14, 2016	Jun 06, 2017
431	BBL13C1706A	Nov 14, 2016	Jun 13, 2017
432	SCB13P1705A	Nov 15, 2016	Jun 06, 2017
433	BBL13P1706A	Nov 15, 2016	Jun 13, 2017
434	TOP13C1705A	Nov 15, 2016	Jun 06, 2017
435	PTTE13P1705A	Nov 17, 2016	Jun 06, 2017
436	DTAC13P1704A	Nov 17, 2016	Apr 26, 2017
437	KBAN13P1705A	Nov 16, 2016	Jun 06, 2017
438	ADVA13P1705A	Nov 16, 2016	Jun 06, 2017
439	S5013P1703A	Nov 18, 2016	Apr 05, 2017
440	S5013C1703A	Nov 18, 2016	Apr 05, 2017
441	MTLS13C1704A	Nov 18, 2016	Apr 26, 2017
442	DTAC13C1704A	Nov 18, 2016	Apr 26, 2017
443	VNG13C1706A	Nov 22, 2016	Jun 13, 2017
444	TPIP13C1706A	Nov 22, 2016	Jun 13, 2017
445	TASC13C1706A	Nov 22, 2016	Jun 13, 2017
446	SCC13P1705A	Nov 24, 2016	Jun 06, 2017
447	AOT13P1706A	Nov 24, 2016	Jun 13, 2017
448	ITD13C1706A	Nov 24, 2016	Jun 13, 2017

No.	Name of DW	First Trading Date	Maturity Date
449	S5013P1703B	Nov 25, 2016	Apr 05, 2017
450	S5013C1703B	Nov 25, 2016	Apr 05, 2017
451	SAWA13C1706A	Nov 29, 2016	Jun 20, 2017
452	EPG13C1706A	Nov 29, 2016	Jun 20, 2017
453	AAV13C1706A	Nov 29, 2016	Jun 20, 2017
454	MTLS13C1706A	Nov 30, 2016	Jun 20, 2017
455	THAI13C1704A	Dec 01, 2016	May 04, 2017
456	KCE13C1706A	Dec 01, 2016	Jun 20, 2017
457	GL13C1706A	Dec 01, 2016	Jun 20, 2017
458	STEC13C1706A	Dec 02, 2016	Jun 27, 2017
459	GUNK13C1706A	Dec 02, 2016	Jun 27, 2017
460	GPSC13C1706A	Dec 02, 2016	Jun 27, 2017
461	VGI13C1706A	Dec 09, 2016	Jun 19, 2017
462	BTS13C1706A	Dec 09, 2016	Jun 19, 2017
463	S5013P1703C	Dec 09, 2016	Apr 05, 2017
464	S5013C1703C	Dec 09, 2016	Apr 05, 2017
465	TRUE13P1706A	Dec 14, 2016	Jun 19, 2017
466	IVL13C1705A	Dec 14, 2016	Jun 06, 2017
467	ITD13C1707A	Dec 14, 2016	Jul 11, 2017
468	BEM13C1707A	Dec 16, 2016	Jul 18, 2017
469	BCH13C1707A	Dec 16, 2016	Jul 18, 2017
470	BA13C1707A	Dec 16, 2016	Jul 18, 2017
471	ADVA13C1707A	Dec 16, 2016	Jul 18, 2017
472	PTT13C1707A	Dec 19, 2016	Jul 18, 2017
473	IRPC13C1707A	Dec 19, 2016	Jul 18, 2017
474	CKP13C1707A	Dec 19, 2016	Jul 18, 2017
475	GL13C1707A	Dec 21, 2016	Jul 18, 2017
476	UNIQ13C1706A	Dec 21, 2016	Jun 13, 2017
477	TRUE13C1706A	Dec 27, 2016	Jun 19, 2017
478	THAI13C1706A	Dec 27, 2016	Jun 19, 2017
479	S5013P1703D	Dec 28, 2016	Apr 05, 2017
480	S5013C1703D	Dec 28, 2016	Apr 05, 2017
481	GL13C1710A	Dec 30, 2016	Oct 27, 2017
482	GL13C1709A	Dec 30, 2016	Oct 03, 2017
483	WORK13C1709A	Dec 30, 2016	Oct 03, 2017
484	ERW13C1709A	Dec 30, 2016	Oct 03, 2017

The Company's Branch and local subsidiary's office locations

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 2084 9090-9 Fax: 0 2884 9019	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	Chiang Rai 490/1 Uttrarakit Road, Weang Sub-District, Muang District, Chiang Rai 57000 Tel: 0 5374 0701-7 Fax: 0 5371 3117
Changwattana 99/349 Na-nakorn building, 1 st Floor, Changwattana Road, Tongsonghong Sub-District, Laksee District, Bangkok 10210 Tel: 0 2074 7400 Fax: 0 2576 1562	Nakhon Ratchasima 1242/2 The Mall Shopping Center, Nakorn-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	Phetchaburi 96/1-2, Moo 8, Kirirattaya Road, Thongchai Sub-District, Muang District, Petchaburi 76000 Tel: 0 3241 8371-5 Fax: 0 3241 8375
Thapra 99 The Mall Shopping Complex, 6 th Floor, Room no. 1, Ratchadapisek Road (Thapra-Taksin), Bukkkhalow 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	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
Thaniya 62, Thaniya Plaza Building , 5 th Floor, Room 505, Silom Road, Suriyawong Sub-District, Bangrak District, Bangkok 10500 Tel: 0 2632 9360-9 0 2632 9371-85 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	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
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 6360 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	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
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 Fax: 0 3421 9262	
Subsidiary Company		
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		



บริษัท ดีลอยท์ ทูเช่ โทมัทสึ ไทยแลนด์
สอบบัญชี จำกัด
เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27
11/1 ถนนสาทรใต้
แขวงยานนาวา เขตสาทร
กรุงเทพฯ 10120
โทร +66 (0) 2034 0000
แฟกซ์ +66 (0) 2034 0100

Deloitte Touche Tohmatsu Jaiyos
Audit Co., Ltd.
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road
Yannawa, Sathorn
Bangkok 10120, Thailand
Tel: +66 (0) 2034 0000
Fax: +66 (0) 2034 0100
www.deloitte.com

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of KGI Securities (Thailand) Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p>Revenue recognition - Brokerage fee</p> <p>Brokerage fees are fees from securities business and derivatives business which have terms and conditions to charge the fees based on trading volume. Key audit matters is whether the brokerage fees are occurrence and have been completely and accurately recognized in accordance with Thai Financial Reporting Standards.</p> <p>The accounting policies of revenue recognition, the details of brokerage fees and operating segment information were disclosed in Note 4.1, Note 27 and Note 36 to the financial statements respectively.</p>	<p>Our key audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understand the revenue recognition - brokerage fee process and related internal control procedures • Review the design and implementation of the internal control procedures • Perform the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system • Perform substantive testing as follows: <ul style="list-style-type: none"> - Examine the trading volume information of securities and derivative of the customers and brokerage fees rates, recalculate the brokerage fees and examine the related supporting documents of those revenues whether the brokerage fees are occurrence and have been completely and accurately recognized - Perform substantive analytical procedures relating to the brokerage fees.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which we have received other information before the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have read the other information in the annual report that has been prepared for issuance, we did not find any material inconsistency therein which we have to report.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
February 22, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
ASSETS					
ASSETS					
Cash and cash equivalents	6	392,296,992	446,998,146	209,033,674	333,522,078
Deposits at financial institutions	7	166,321,791	243,358,190	621,791	2,190
Securities purchased under resale agreements		370,000,000	140,000,000	370,000,000	140,000,000
Receivables from Clearing House	8	2,126,104,398	939,090,312	2,126,104,398	939,090,312
Securities and derivatives business					
receivables - net	9	5,099,765,234	5,053,543,518	5,099,765,234	5,053,543,518
Derivatives assets	11	61,203,198	22,492,971	61,203,198	22,492,971
Investments - net	12	5,414,609,460	2,308,088,852	5,188,121,827	2,107,325,794
Investments in subsidiaries - net	13	-	-	2,549,885,733	2,549,782,733
Premises and equipment - net	14	107,465,327	112,550,014	82,421,539	92,520,381
Intangible assets - net	15	66,935,399	68,116,837	50,218,580	50,264,584
Goodwill		26,713,599	26,713,599	-	-
Properties foreclosed - net	16	31,556,355	35,075,355	31,556,355	35,075,355
Deferred tax assets	17	6,295,557	3,335,742	-	-
Other assets	18	261,458,183	249,940,826	175,633,081	180,395,448
TOTAL ASSETS		14,130,725,493	9,649,304,362	15,944,565,410	11,504,015,364

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
LIABILITIES AND OWNERS' EQUITY					
LIABILITIES					
Borrowings from financial institutions	19	1,700,000,000	-	1,700,000,000	-
Securities sold under repurchase agreements	20	540,000,000	10,000,000	540,000,000	10,000,000
Payables to Clearing House		-	117,450,667	-	117,450,667
Securities and derivatives business payables	21	3,918,283,270	3,388,911,531	3,918,283,270	3,388,911,531
Subordinated loans from subsidiaries	22	-	-	1,936,500,000	1,936,500,000
Accrued expenses		485,804,033	349,712,382	409,033,790	272,257,142
Income tax payable		107,886,231	24,159,758	98,131,177	16,938,626
Derivatives liabilities	11	258,924,876	103,999,988	258,924,876	103,999,988
Debt issued and borrowings	19	1,478,402,837	454,671,746	1,478,402,837	454,671,746
Provisions for long-term employee benefits	23	88,765,202	71,387,291	74,739,319	60,664,065
Provisions for liabilities		42,372,143	46,697,251	38,323,643	42,648,752
Deferred tax liabilities	17	2,445,081	13,090,925	2,445,081	13,090,925
Other liabilities		24,186,454	25,919,971	22,995,423	25,596,078
Total liabilities		8,647,070,127	4,606,001,510	10,477,779,416	6,442,729,520
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		(28,987,912)	(14,183,911)	-	-
Retained earnings					
Appropriated - statutory reserve		199,176,313	199,176,313	199,176,313	199,176,313
Unappropriated		2,234,488,542	1,779,748,786	2,191,757,491	1,786,257,341
Equity attributable to equity holders of the parent		5,480,529,133	5,040,593,378	5,466,785,994	5,061,285,844
Non-controlling interests		3,126,233	2,709,474	-	-
Total owners' equity		5,483,655,366	5,043,302,852	5,466,785,994	5,061,285,844
TOTAL LIABILITIES AND OWNERS' EQUITY		14,130,725,493	9,649,304,362	15,944,565,410	11,504,015,364

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2016	2015	2016	2015
REVENUES					
Brokerage fees	27	1,085,349,861	957,368,708	1,085,731,393	958,039,539
Fees and service income	28	629,251,086	562,696,146	92,963,731	81,444,426
Gains (losses) on securities		291,553,344	(100,304,408)	301,427,453	(100,304,408)
Gains on derivatives		873,290,916	678,734,108	873,290,916	678,734,108
Interest and dividends		260,696,461	262,466,973	328,610,974	351,285,583
Interest on margin loans		99,412,181	100,257,584	99,412,181	100,257,584
Other income		6,301,384	20,726,038	5,813,404	17,835,230
Total revenues		3,245,855,233	2,481,945,149	2,787,250,052	2,087,292,062
EXPENSES					
Finance costs		113,163,106	112,311,789	113,163,106	112,311,789
Fees and service expenses		360,395,286	353,350,229	276,349,224	292,070,118
Operating expenses					
Personnel expenses		1,013,367,477	824,568,397	829,749,969	650,865,150
Premises and equipment expenses		205,328,008	194,196,169	166,537,126	155,719,056
Directors' remuneration	29	34,152,880	24,671,400	28,310,000	19,040,000
Other expenses		231,291,467	228,742,882	167,464,669	157,034,014
Total operating expenses		1,484,139,832	1,272,178,848	1,192,061,764	982,658,220
Bad debts and doubtful accounts (reversal)		7,215,754	(1,600,701)	7,215,754	(1,600,701)
Total expenses		1,964,913,978	1,736,240,165	1,588,789,848	1,385,439,426
Profits before income tax expenses		1,280,941,255	745,704,984	1,198,460,204	701,852,636
Income tax expenses	33	(257,402,145)	(157,423,178)	(225,331,738)	(128,643,479)
Net Profits		1,023,539,110	588,281,806	973,128,466	573,209,157
Other comprehensive gain (loss):					
Items that will not be reclassified subsequently to profit or loss:					
Actuarial loss on defined benefit plan		-	(11,865,549)	-	(7,642,605)
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	2,373,110	-	1,528,521
		-	(9,492,439)	-	(6,114,084)
Items that may be reclassified subsequently to profit or loss:					
Gain (loss) on remeasurement of available-for-sale investment		(12,706,802)	7,568,236	-	-
Gain (loss) on translation of the financial statements of foreign operation		(2,097,199)	23,718,690	-	-
		(14,804,001)	31,286,926	-	-
Total other comprehensive gain (loss)		(14,804,001)	21,794,487	-	(6,114,084)
Total comprehensive income		1,008,735,109	610,076,293	973,128,466	567,095,073

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Profits attributable to:					
Equity holders of the parent		1,022,368,072	587,215,008	<u>973,128,466</u>	<u>573,209,157</u>
Non-controlling interests		<u>1,171,038</u>	<u>1,066,798</u>		
		<u>1,023,539,110</u>	<u>588,281,806</u>		
Total comprehensive income attributable to:					
Equity holders of the parent		1,007,564,071	609,040,576	<u>973,128,466</u>	<u>567,095,073</u>
Non-controlling interests		<u>1,171,038</u>	<u>1,035,717</u>		
		<u>1,008,735,109</u>	<u>610,076,293</u>		
Earnings per share attributable to equity holders of the parent					
Basic earning per share	32	0.51	0.29	0.49	0.29

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, 2016

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											
to equity holders											
Non-controlling											
interests											
Total											
Note	Share capital	Share premium	warrants	investment	foreign operations	of owners' equity	Appropriated	Unappropriated	of the parent	interests	Total
Balance as at January 1, 2015	1,991,763,130	982,166,480	101,922,580	3,820,773	(49,291,610)	(45,470,837)	199,176,313	1,928,957,423	5,158,515,089	2,598,379	5,161,113,468
Dividends paid	35	-	-	-	-	-	-	(726,962,287)	(726,962,287)	(874,998)	(727,837,285)
Net profits for the year	-	-	-	-	-	-	-	587,215,008	587,215,008	1,066,798	588,281,806
Other comprehensive gain (loss) for the year	-	-	-	7,568,236	23,718,690	31,286,926	-	(9,461,358)	21,825,568	(31,081)	21,794,487
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(49,624)	(49,624)
Balance as at December 31, 2015	1,991,763,130	982,166,480	101,922,580	11,389,009	(25,572,920)	(14,183,911)	199,176,313	1,779,748,786	5,040,593,378	2,709,474	5,043,302,852
Balance as at January 1, 2016	1,991,763,130	982,166,480	101,922,580	11,389,009	(25,572,920)	(14,183,911)	199,176,313	1,779,748,786	5,040,593,378	2,709,474	5,043,302,852
Dividends paid	35	-	-	-	-	-	-	(567,628,316)	(567,628,316)	(651,280)	(568,279,596)
Net profits for the year	-	-	-	-	-	-	-	1,022,368,072	1,022,368,072	1,171,038	1,023,539,110
Other comprehensive gain (loss) for the year	-	-	-	(12,706,802)	(2,097,199)	(14,804,001)	-	-	(14,804,001)	-	(14,804,001)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(102,999)	(102,999)
Balance as at December 31, 2016	1,991,763,130	982,166,480	101,922,580	(1,317,793)	(27,670,119)	(28,987,912)	199,176,313	2,234,488,542	5,480,529,133	3,126,233	5,483,655,366

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, 2016

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS						
Note	Share capital	Share premium	Surplus from unexercised warrants	Retained earnings		Total
				Appropriated	Unappropriated	
Balance as at January 1, 2015	1,991,763,130	982,166,480	101,922,580	199,176,313	1,946,124,555	5,221,153,058
Dividends paid 35	-	-	-	-	(726,962,287)	(726,962,287)
Net profits for the year	-	-	-	-	573,209,157	573,209,157
Other comprehensive loss for the year	-	-	-	-	(6,114,084)	(6,114,084)
Balance as at December 31, 2015	<u>1,991,763,130</u>	<u>982,166,480</u>	<u>101,922,580</u>	<u>199,176,313</u>	<u>1,786,257,341</u>	<u>5,061,285,844</u>
Balance as at January 1, 2016	1,991,763,130	982,166,480	101,922,580	199,176,313	1,786,257,341	5,061,285,844
Dividends paid 35	-	-	-	-	(567,628,316)	(567,628,316)
Total comprehensive Income for the year	-	-	-	-	973,128,466	973,128,466
Balance as at December 31, 2016	<u>1,991,763,130</u>	<u>982,166,480</u>	<u>101,922,580</u>	<u>199,176,313</u>	<u>2,191,757,491</u>	<u>5,466,785,994</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, 2016

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Cash flows from operating activities				
Profits before income tax expenses	1,280,941,255	745,704,984	1,198,460,204	701,852,636
Adjustments to reconcile profits before income tax expenses to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	58,014,747	52,575,926	44,998,948	40,211,040
Bad debts and doubtful accounts	10,455,834	9,200,973	10,455,834	9,200,973
Provisions for liabilities	2,902,500	2,810,000	2,902,500	2,810,000
(Gains) losses on revaluation of trading securities and derivatives	(62,231,213)	34,295,774	(72,105,323)	34,295,774
Premium on investments in debt securities of a subsidiary	5,166	187,345	-	-
Discount on debts issued and other borrowings	(20,889,025)	(13,740,127)	(20,889,025)	(13,740,127)
(Gains) losses on disposals and written-off of equipment	274,005	(316,061)	178,006	(314,949)
Gains on disposals of property foreclosed	(5,381,000)	(10,176,782)	(5,381,000)	(10,176,782)
Interest income on deposits and investments	(130,773,972)	(142,699,124)	(125,839,765)	(137,892,731)
Dividend income	(129,922,489)	(119,767,849)	(202,771,209)	(213,392,852)
Financial costs	113,163,106	112,311,789	113,163,106	112,311,789
Provisions for long-term employee benefits	17,377,911	14,784,458	14,075,254	12,834,612
Cash received from interest income on deposits and investments	159,184,284	124,568,536	154,087,554	119,609,511
Cash paid for interest expenses	(93,008,917)	(92,667,746)	(93,008,917)	(92,667,746)
Cash paid for income taxes	(187,281,330)	(217,616,154)	(154,785,031)	(187,776,994)
Income from operating activities before changes in operating assets and liabilities	1,012,830,862	499,455,942	863,541,136	377,164,154
(Increase) decrease in operating assets				
Deposits at financial institutions	77,036,399	(46,833,838)	(619,601)	1,566,162
Securities purchased under resale agreements	(230,000,000)	(140,000,000)	(230,000,000)	(140,000,000)
Receivables from Clearing House	(1,242,586,189)	(236,472,579)	(1,242,586,189)	(236,472,579)
Securities and derivatives business receivables	(65,491,415)	(176,156,472)	(65,491,415)	(176,156,472)
Derivatives assets	(46,947,147)	(186,708)	(46,947,147)	(186,708)
Trading securities	(2,941,405,541)	1,513,645,972	(2,941,405,541)	1,513,645,972
Other assets	(36,019,117)	(33,357,718)	(19,576,871)	(17,550,301)
Increase (decrease) in operating liabilities				
Borrowings from financial institutions	1,700,000,000	(600,000,000)	1,700,000,000	(600,000,000)
Securities sold under repurchase agreements	530,000,000	(120,000,000)	530,000,000	(120,000,000)
Payables to Clearing House	(117,450,667)	117,450,667	(117,450,667)	117,450,667
Securities and derivatives business payables	513,770,424	213,947,256	513,770,424	213,947,256
Accrued expenses	133,862,676	(63,316,517)	136,700,815	(87,732,667)
Derivatives liabilities	167,050,056	(29,462,731)	167,050,056	(29,462,731)
Debts issued and other borrowings	1,024,965,863	(208,076,061)	1,024,965,863	(208,076,061)
Payments on long-term employee benefits during the years	-	(2,000,000)	-	(2,000,000)
Other liabilities	3,569,225	1,249,178	2,702,087	268,207
Net cash provided by operating activities	483,185,429	689,886,391	274,652,950	606,404,899

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Cash flows from investing activities				
Cash paid for held-to-maturity debt securities	(49,684,132)	(8,749,370)	-	-
Cash paid for investment in a subsidiary	(102,999)	(49,624)	(102,999)	(49,624)
Proceed from disposals of held-to-maturity debt securities	-	8,000,000	-	-
Dividends received on investment in securities	127,176,091	120,193,929	127,176,091	120,193,930
Dividends received from a subsidiary	-	-	72,848,720	93,625,002
Cash paid for purchases of equipment and intangible assets	(55,456,628)	(55,555,731)	(40,619,252)	(44,175,031)
Proceed from disposals of equipment	284,402	369,409	284,402	366,324
Proceed from disposals of property foreclose	8,900,000	19,840,000	8,900,000	19,840,000
Net cash provided by investing activities	31,116,734	84,048,613	168,486,962	189,800,601
Cash flows from financing activities				
Dividends paid	(567,628,316)	(726,962,287)	(567,628,316)	(726,962,287)
Dividends paid to non-controlling interests	(651,280)	(874,998)	-	-
Net cash used in financing activities	(568,279,596)	(727,837,285)	(567,628,316)	(726,962,287)
Changes in translation adjustments	(723,721)	7,728,398	-	-
Net increase (decrease) in cash and cash equivalents	(54,701,154)	53,826,117	(124,488,404)	69,243,213
Cash and cash equivalents as at January 1,	446,998,146	393,172,029	333,522,078	264,278,865
Cash and cash equivalents as at December 31,	392,296,992	446,998,146	209,033,674	333,522,078

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

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
TABLE OF CONTENTS FOR NOTES TO CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note	Contents	Page
1.	GENERAL INFORMATION	1
2.	BASIS FOR PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS	2
3.	NEW THAI FINANCIAL REPORTING STANDARDS	3
4.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5
5.	SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES	14
6.	CASH AND CASH EQUIVALENTS	16
7.	DEPOSITS AT FINANCIAL INSTITUTIONS	17
8.	RECEIVABLES FROM CLEARING HOUSE	17
9.	SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES - NET	18
10.	ALLOWANCES FOR DOUBTFUL ACCOUNTS	20
11.	DERIVATIVES ASSETS AND LIABILITIES	21
12.	INVESTMENTS - NET	22
13.	INVESTMENTS IN SUBSIDIARIES - NET	25
14.	PREMISES AND EQUIPMENT - NET	26
15.	INTANGIBLE ASSET - NET	28
16.	PROPERTIES FORECLOSED - NET	29
17.	DEFERRED TAX ASSETS/LIABILITIES	30
18.	OTHER ASSETS	30
19.	BORROWINGS FROM FINANCIAL INSTITUTIONS / DEBTS ISSUED AND OTHER BORROWINGS	31
20.	SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	31
21.	SECURITIES AND DERIVATIVES BUSINESS PAYABLES	32
22.	SUBORDINATED LOANS FROM SUBSIDIARIES	32
23.	PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS	33
24.	ESOP WARRANTS	34
25.	CAPITAL MANAGEMENT	34
26.	STATUTORY RESERVE	34
27.	BROKERAGE FEES	35
28.	FEES AND SERVICE INCOME	35
29.	DIRECTORS' REMUNERATION	35
30.	MANAGEMENT'S REMUNERATION	36

31.	PROVIDENT FUND.....	36
32.	EARNINGS PER SHARE.....	37
33.	INCOME TAX EXPENSES.....	37
34.	RELATED PARTY TRANSACTIONS.....	39
35.	DIVIDENDS.....	42
36.	SEGMENT INFORMATION.....	43
37.	COMMITMENTS AND CONTINGENT LIABILITIES.....	44
38.	FINANCIAL INSTRUMENTS.....	47
39.	EVENTS AFTER THE REPORTING PERIOD.....	56
40.	APPROVAL OF FINANCIAL STATEMENTS.....	56

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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.

The Company’s major shareholder is KGI Asia (Holdings) Pte. Ltd., which holds shares 34.97% of total issued shares. KGI Asia (Holdings) Pte. Ltd. is an investment holding company incorporated under the laws of Singapore. The ultimate parent of the Group is China Development Financial Holding Corporation, which is a financial holding company incorporated under the laws of Taiwan. 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, 2016 and 2015, the Company has altogether 17 branches, in Bangkok and other provinces.

2. BASIS FOR PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE 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 2015) “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, December 31,		December 31, December 31, December 31, December 31,		For the years ended December 31,	
			2016	2015	2016	2015	2016	2015
			Percent	Percent	Percent	Percent	Percent	Percent
One Asset Management Limited	Mutual fund management	Thailand	99	99	3.22	3.98	16.75	19.80
KGI Securities (Thailand) International Holdings Limited (“HOLDCO”)	Investment	Hong Kong	100	100	0.59	0.95	-	-
KGI (Thailand) Holdings Limited (“KTHL”)	Investment	British Virgin Islands	100	100	1.27	2.00	-	-

- (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

3.1 Since January 1, 2016, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (“TFRSs”) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards, in the preparation of the financial statements. Such TFRSs have no significant impact on the financial statements of the Company.

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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting period beginning on or after January 1, 2017 onwards, as follow:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2016)	Income taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans

Thai Accounting Standards (TAS)

TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investment in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings Per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (TFRS)

TFRS 2 (Revised 2016)	Share-based Payment
TFRS 3 (Revised 2016)	Business Combinations
TFRS 4 (Revised 2016)	Insurance Contracts
TFRS 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)

TSIC 10 (Revised 2016)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (Revised 2016)	Operating Leases-Incentives
TSIC 25 (Revised 2016)	Income Taxes -Changes in the Tax Status of and Enterprise or its Shareholders
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (Revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2016)	Intangible Assets-Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

TFRIC 1 (Revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2016)	Applying the Restatement Approach under TAS 29 (Revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2016)	Service Concession Arrangements
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	TAS 19 (Revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	Levies

Guideline on Accounting

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

The Company's and its subsidiaries' management will adopt the above TFRSs relevant to the Company's and its subsidiaries in the preparation of the Company's financial statements when they become effective.

The Company's and its subsidiaries' management has assessed the impact of this TFRS and believes that it will not have material impact on the financial statements for the period in which they are initially applied.

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 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	3 and 5 years
Fixtures and equipment	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 other comprehensive income.

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.

4.24 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

5. 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, 2016 and 2015 are consist of following:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Cash on hand	826	827	776	777
Current accounts and savings deposits	478,741	955,782	373,928	852,356
Fixed deposits	1,178,407	410,007	1,100,007	400,007
Total cash and cash equivalents	1,657,974	1,366,616	1,474,711	1,253,140
<u>Less</u> Deposits held for customers*	<u>(1,265,677)</u>	<u>(919,618)</u>	<u>(1,265,677)</u>	<u>(919,618)</u>
Cash and cash equivalents - net	<u>392,297</u>	<u>446,998</u>	<u>209,034</u>	<u>333,522</u>

* Deposits held for customers are not required to present as assets and liabilities in the financial statements according to the Notification 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, 2016 and 2015 are consist of following:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Fixed deposits	1,181,322	3,393,358	1,015,622	3,200,002
Bills of exchange	-	50,000	-	-
Total	1,181,322	3,443,358	1,015,622	3,200,002
<u>Less</u> Deposits held for customers*	<u>(1,015,000)</u>	<u>(3,200,000)</u>	<u>(1,015,000)</u>	<u>(3,200,000)</u>
Deposits at financial institutions - net	<u>166,322</u>	<u>243,358</u>	<u>622</u>	<u>2</u>

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

8. RECEIVABLES FROM CLEARING HOUSE

Receivables from clearing house as at December 31, 2016 and 2015 are consist of following:

	Unit: Thousand Baht CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	December 31, 2016	December 31, 2015
Receivables from Clearing House	2,391,423	1,501,257
<u>Less</u> Receivables from Clearing House held for customers*	<u>(265,319)</u>	<u>(562,167)</u>
Receivables from Clearing House - net	<u>2,126,104</u>	<u>939,090</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, 2016 and 2015 are consist of following:

	Unit: Thousand Baht	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	December 31,	December 31,
	2016	2015
<u>Securities business receivables</u>		
Cash accounts	2,119,303	2,099,788
Credit balance accounts	1,970,829	1,718,464
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	720,192	1,117,344
- Securities borrowing receivables	319,686	139,455
Other receivables		
- Installment receivables	421,236	421,871
- Overdue customers' accounts	304	-
- Other securities business receivables	832	252
Total securities business receivables	5,552,382	5,497,174
<u>Add</u> Accrued interest receivables	9,231	10,502
<u>Less</u> Allowance for doubtful accounts	(461,848)	(454,132)
Securities business receivables and accrued interest receivables - net	5,099,765	5,053,544
Securities and derivatives business receivables - net	5,099,765	5,053,544

9.1 Receivables on which recognition of income have been ceased

As at December 31, 2016 and 2015, the Company had other receivables with book values totaling Baht 419 million, on which recognition of income have been ceased. The Company had already provided allowance for doubtful accounts amounting to Baht 419 million.

9.2 Receivables classified by class

As at December 31, 2016 and 2015, 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, 2016			
	Debt balances	Allowances for doubtful accounts	Debt balances net of allowances for doubtful accounts
Normal debts	5,131,149	-	5,131,149
Sub-standard debts	29,260	-	29,260
Doubtful debts	401,204	(401,204)	-
Total	5,561,613	(401,204)	5,160,409
Additional reserve for uncollectible debts	-	(60,644)	(60,644)
Carrying values	5,561,613	(461,848)	5,099,765

Unit: Thousand Baht			
CONSOLIDATED AND			
SEPARATE FINANCIAL STATEMENTS			
December 31, 2015			
	Debt balances	Allowances for doubtful accounts	Debt balances net of allowances for doubtful accounts
Normal debts	5,076,467	-	5,076,467
Sub-standard debts	29,260	-	29,260
Doubtful debts	401,949	(401,949)	-
Total	5,507,676	(401,949)	5,105,727
Additional reserve for uncollectible debts	-	(52,183)	(52,183)
Carrying values	5,507,676	(454,132)	5,053,544

9.3 Guarantee deposit receivables

Securities business receivables include guarantee deposit receivables as at December 31, 2016 and 2015 are as follows.

	Unit: Thousand Baht	
	CONSOLIDATED AND	
	SEPARATE FINANCIAL STATEMENTS	
	December 31,	December 31,
	2016	2015
Guarantee deposit receivables	720,192	1,117,344
Fair value of borrowed securities	613,603	912,475
The value of remaining borrowed securities not yet sold under short-sale transaction or relent to others	1,554	2,916

10. ALLOWANCES FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts as at December 31, 2016 and 2015 are as follows:

	Unit: Thousand Baht	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	December 31,	December 31,
	2016	2015
Balances - beginning of the years	454,132	459,938
<u>Add</u> Allowances for doubtful accounts additional by set up during the years	10,456	9,060
Bad debts written back	500	1,354
<u>Less</u> Reversal of allowances for doubtful accounts during the years	(3,240)	(10,802)
Bad debts written off	-	(5,418)
Balances - ending of the years	<u>461,848</u>	<u>454,132</u>

11. DERIVATIVES ASSETS AND LIABILITIES

Derivatives assets and liabilities as at December 31, 2016 and 2015 are consist of following:

Unit: Thousand Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2016				
	Assets		Liabilities	
	Fair value	Notional amounts	Fair value	Notional amounts
Trading derivatives				
Warrants	43,042	18,204	-	-
Derivatives warrants	-	-	246,533	8,051,079
Futures	-	179,325	-	3,874,129
Options	5,587	210,840	49	2,165
Over-the-Counter derivatives	12,574	579,962	12,343	500,000
Total	61,203	988,331	258,925	12,427,373

Unit: Thousand Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2015				
	Assets		Liabilities	
	Fair value	Notional amounts	Fair value	Notional amounts
Trading derivatives				
Warrants	2,117	11,251	-	-
Derivatives warrants	-	-	76,653	2,859,201
Futures	-	593,283	-	893,841
Options	639	39,300	8,277	113,665
Over-the-Counter derivatives	19,737	511,127	19,070	500,000
Total	22,493	1,154,961	104,000	4,366,707

12. INVESTMENTS - NET

12.1 Investments - net as at December 31, 2016 and 2015 classified by investment purposes as follows:

Unit: Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	December 31, 2016		December 31, 2015	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	4,979,091	5,043,397	1,474,072	1,399,293
Investments units	2	6	2	6
Total	4,979,093	5,043,403	1,474,074	1,399,299
Debt securities				
Government debt securities	103,882	104,279	562,860	562,688
Corporate debt securities	19,911	19,690	124,547	124,589
Total	123,793	123,969	687,407	687,277
Total trading securities	5,102,886	5,167,372	2,161,481	2,086,576
<u>Add (less) Allowance for</u>				
revaluation	64,486	-	(74,905)	-
Trading securities - net	5,167,372	5,167,372	2,086,576	2,086,576
Available-for-sale securities				
Equity securities				
Foreign Investments units	179,154	178,114	180,443	192,194
Total available-for-sale securities	179,154	178,114	180,443	192,194
<u>Add (less) Allowance for</u>				
revaluation	(1,040)	-	11,751	-
Available-for-sale securities - net	178,114	178,114	192,194	192,194
Held-to-maturity debt securities				
Bank of Thailand bonds	2,058,709		-	
Government bonds	8,309		8,569	
Corporate debt securities	40,464		-	
Total	2,107,082		8,569	
<u>Less</u> Investments held for				
customers*	(2,058,709)		-	
Held-to-maturity debt securities	48,373		8,569	
General investments				
Ordinary shares	27,603		27,603	
Foreign investment units	2,402		2,420	
General investments	30,005		30,023	
<u>Less</u> Allowance for impairment	(9,255)		(9,273)	
General investments - net	20,750		20,750	
Total investments - net	5,414,609		2,308,089	

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS				
December 31, 2016		December 31, 2015		
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	4,979,091	5,043,397	1,474,072	1,399,293
Investment units	2	6	2	6
Total	4,979,093	5,043,403	1,474,074	1,399,299
Debt securities				
Government debt securities	103,882	104,279	562,860	562,688
Corporate debt securities	19,911	19,690	124,547	124,589
Total	123,793	123,969	687,407	687,277
Total trading securities	5,102,886	5,167,372	2,161,481	2,086,576
Add (less) Allowance for revaluation	64,486	-	(74,905)	-
Trading securities - net	5,167,372	5,167,372	2,086,576	2,086,576
Held-to-maturity debt securities				
Bank of Thailand bonds	2,058,709		-	
<u>Less</u> Investments held for customers*	(2,058,709)		-	
Held-to-maturity debt securities	-		-	
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	<u>5,188,122</u>		<u>2,107,326</u>	

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

12.2 Investments subject to restrictions

As at December 31, 2016 and 2015, the Company and its subsidiaries have investments subject to restrictions of which the carrying value are as follows.

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Securities sold under repurchase agreements - Trading securities	102,177	9,986	102,177	9,986
Securities placed as collateral held-to-maturity debt securities ⁽¹⁾	8,309	8,569	-	-
Total investments subject to restrictions	110,486	18,555	102,177	9,986

⁽¹⁾ As at December 31, 2016 and 2015, investments in held-to-maturity debt securities of a local subsidiary, totaling Baht 8 million and Baht 9 million, respectively, 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, 2016 and 2015, 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, 2016			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Government bonds	-	8,309	-	8,309
Corporate debt securities	40,064	-	-	40,064
Total	40,064	8,309	-	48,373

	Unit: Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2015			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity debt securities				
Government bonds	-	8,569	-	8,569
Total	-	8,569	-	8,569

13. INVESTMENTS IN SUBSIDIARIES - NET

Investments in subsidiaries - net as at December 31, 2016 and 2015, as presented in separate financial statements are as follows:

Company's name	Business	Type of Relationship	Paid-up capital		Shareholding percentage		Cost		Dividends received during the years ended December 31,	
			December 31	December 31	December 31	December 31	December 31	December 31	2016	2015
			2016	2015	2016	2015	2016	2015	2016	2015
					%	%	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	73	94
KGI Securities (Thailand) International Holdings Limited (incorporated in Hong Kong)	Investment	Shareholding	USD 39 million	USD 39 million	100	100	1,549	1,549	-	-
KGI (Thailand) Holdings Limited (incorporated in British Virgin Islands)	Investment	Shareholding	USD 20 million	USD 20 million	100	100	834	834	-	-
Total investments in subsidiaries							2,627	2,627	73	94
<u>Less</u> Allowance for impairment loss							(77)	(77)	-	-
Investments in subsidiaries - net							2,550	2,550	73	94

The consolidated financial statements as at December 31, 2016 and 2015 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 years ended December 31, 2016 and 2015, the Company acquired additional 3,240 ordinary shares and 1,884 ordinary shares, respectively, of One Asset Management Limited from minority shareholder of that subsidiary.

14. PREMISES AND EQUIPMENT - NET

Premises and equipment - net as at December 31, 2016 and 2015 are consist of following:

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended December 31, 2016					
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2016
Cost					
Land	1,820	-	-	-	1,820
Building and building improvements	21,638	17	(594)	2,586	23,647
Equipment	358,831	10,392	(47,735)	22,897	344,385
Furniture and fixtures	140,537	325	(429)	499	140,932
Vehicles	593	3,700	-	-	4,293
Installation in progress	7,020	20,326	-	(25,982)	1,364
Total cost	530,439	34,760	(48,758)	-	516,441
Accumulated depreciation					
Building and building improvements	10,753	3,299	(535)	-	13,517
Equipment	281,115	30,220	(47,254)	-	264,081
Furniture and fixtures	125,428	5,728	(411)	-	130,745
Vehicles	593	40	-	-	633
Total accumulated depreciation	417,889	39,287	(48,200)	-	408,976
Premises and equipment - net	112,550				107,465

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended December 31, 2015					
	Balance as at January 1, 2015	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2015
Cost					
Land	1,820	-	-	-	1,820
Building and building improvements	17,325	3,803	-	510	21,638
Equipment	330,634	9,402	(2,093)	20,888	358,831
Furniture and fixtures	136,832	4,094	(1,236)	847	140,537
Vehicles	1,974	-	(1,381)	-	593
Installation in progress	2,332	26,693	-	(22,005)	7,020
Total cost	490,917	43,992	(4,710)	240	530,439
Accumulated depreciation					
Building and building improvements	7,558	3,195	-	-	10,753
Equipment	256,359	26,552	(2,038)	242	281,115
Furniture and fixtures	121,146	5,517	(1,235)	-	125,428
Vehicles	1,974	-	(1,381)	-	593
Total accumulated depreciation	387,037	35,264	(4,654)	242	417,889
Premises and equipment - net	103,880				112,550

Depreciation for the years ended December 31

2016	Thousand Baht	39,287
2015	Thousand Baht	35,264

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2016

	Balance as at January 1, 2016	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2016
Cost					
Land	1,820	-	-	-	1,820
Building and building improvements	3,280	-	-	-	3,280
Equipment	321,690	6,911	(37,795)	20,183	310,989
Furniture and fixtures	131,830	187	-	-	132,017
Vehicles	593	-	-	-	593
Installation in progress	7,020	14,527	-	(20,183)	1,364
Total cost	466,233	21,625	(37,795)	-	450,063
Accumulated depreciation					
Building and building improvements	3,280	-	-	-	3,280
Equipment	249,349	26,932	(37,333)	-	238,948
Furniture and fixtures	120,491	4,329	-	-	124,820
Vehicles	593	-	-	-	593
Total accumulated depreciation	373,713	31,261	(37,333)	-	367,641
Premises and equipment - net	92,520				82,422

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Balance as at January 1, 2015	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2015
Cost					
Land	1,820	-	-	-	1,820
Building and building improvements	3,280	-	-	-	3,280
Equipment	296,509	5,478	(945)	20,648	321,690
Furniture and fixtures	129,708	2,510	(1,235)	847	131,830
Vehicles	1,974	-	(1,381)	-	593
Installation in progress	2,332	26,183	-	(21,495)	7,020
Total cost	435,623	34,171	(3,561)	-	466,233
Accumulated depreciation					
Building and building improvements	3,280	-	-	-	3,280
Equipment	226,406	23,836	(893)	-	249,349
Furniture and fixtures	117,543	4,183	(1,235)	-	120,491
Vehicles	1,974	-	(1,381)	-	593
Total accumulated depreciation	349,203	28,019	(3,509)	-	373,713
Premises and equipment - net	86,420				92,520

Depreciation for the years ended December 31

2016	Thousand Baht	31,261
2015	Thousand Baht	28,019

As at December 31, 2016 and 2015, 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 296 million and Baht 328 million, respectively (The Separate Financial Statement: Baht 272 million and Baht 298 million, respectively).

15. INTANGIBLE ASSET - NET

Intangible asset - net as at December 31, 2016 and 2015 are consist of following:

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS								
For the year ended December 31, 2016								
Useful lives		Cost		Accumulated amortization			Intangible assets - net	
		Balance as at January 1, 2016	Increase (decrease)	Balance as at December 31, 2016	Balance as at January 1, 2016	Increase	Balance as at December 31, 2016	
Deferred derivatives								
agent license fee	5 years	5,336	-	5,336	5,336	-	5,336	-
Computer softwares	5 and 7 years	164,954	11,882	176,836	112,440	11,781	124,221	52,615
Computer softwares under development	-	15,603	(1,283)	14,320	-	-	-	14,320
Total		185,893	10,599	196,492	117,776	11,781	129,557	66,935

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS								
For the year ended December 31, 2015								
Useful lives		Cost		Accumulated amortization			Intangible assets - net	
		Balance as at January 1, 2015	Increase (decrease)	Balance as at December 31, 2015	Balance as at January 1, 2015	Increase	Balance as at December 31, 2015	
Deferred derivatives								
agent license fee	5 years	5,336	-	5,336	5,336	-	5,336	-
Computer softwares	5 and 7 years	152,341	12,613	164,954	98,165	14,275	112,440	52,514
Computer softwares under development	-	15,209	394	15,603	-	-	-	15,603
Total		172,886	13,007	185,893	103,501	14,275	117,776	68,117

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS								
For the year ended December 31, 2016								
Useful lives		Cost		Accumulated amortization			Intangible assets - net	
		Balance as at January 1, 2016	Increase (decrease)	Balance as at December 31, 2016	Balance as at January 1, 2016	Increase	Balance as at December 31, 2016	
Deferred derivatives								
agent license fee	5 years	5,336	-	5,336	5,336	-	5,336	-
Computer softwares	5 years	123,208	10,841	134,049	88,547	9,603	98,150	35,899
Computer softwares under development	-	15,603	(1,283)	14,320	-	-	-	14,320
Total		144,147	9,558	153,705	93,883	9,603	103,486	50,219

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2015

	Useful lives	Cost		Accumulated amortization			Intangible assets - net
		Balance as at January 1, 2015	Increase (decrease)	Balance as at December 31, 2015	Balance as at January 1, 2015	Increase	Balance as at December 31, 2015
Deferred derivatives agent license fee	5 years	5,336	-	5,336	5,336	-	5,336
Computer softwares	5 years	110,342	12,866	123,208	76,355	12,192	88,547
Computer softwares under development	-	14,423	1,180	15,603	-	-	-
Total		130,101	14,046	144,147	81,691	12,192	93,883

As at December 31, 2016 and 2015, 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 67 million (The Separate Financial Statement: Baht 60 million and Baht 59 million, respectively).

16. PROPERTIES FORECLOSED - NET

Properties foreclosed - net as at December 31, 2016 and 2015 are consist of following:

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS

December 31, 2016 December 31, 2015

Cost	34,825	38,344
<u>Less</u> Allowance for impairment	(3,269)	(3,269)
Properties foreclosed – net	31,556	35,075

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, 2016 and 2015, deferred tax assets/liabilities arose as a result of the following transactions:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS December 31, 2016	December 31, 2015	FINANCIAL STATEMENTS December 31, 2016	December 31, 2015
Deferred tax assets				
Investments	1,975	-	-	-
Premises and equipment	(421)	(566)	-	-
Intangible assets	1,092	814	-	-
Accrued expenses	35	133	-	-
Provision for long-term employee benefits	2,805	2,145	-	-
Provision for liabilities	810	810	-	-
Total deferred tax assets	<u>6,296</u>	<u>3,336</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Derivatives assets and liabilities	4,906	15,508	4,906	15,508
Investments	20,854	16,011	20,854	16,011
Premises and equipment	588	844	588	844
Intangible assets	(5,267)	(4,336)	(5,267)	(4,336)
Accrued expenses	(800)	-	(800)	-
Provision for long-term employee benefits	(14,948)	(12,133)	(14,948)	(12,133)
Provision for liabilities	(2,888)	(2,803)	(2,888)	(2,803)
Total deferred tax liabilities	<u>2,445</u>	<u>13,091</u>	<u>2,445</u>	<u>13,091</u>

As at December 31, 2016 and 2015, 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

Other assets as at December 31, 2016 and 2015 are consist of following:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS December 31, 2016	December 31, 2015	FINANCIAL STATEMENTS December 31, 2016	December 31, 2015
Payments of compensation fund for clearing and settlement	62,063	54,268	62,063	54,268
Asset for protecting the clearing system	43,534	36,826	43,534	36,826
Deposits	36,892	36,266	31,881	31,962
Fees and service income receivables	73,780	54,760	9,415	6,024
Accrued interest income	16,945	44,193	16,097	43,183
Prepaid expenses	22,689	14,372	8,419	6,395
Others	5,555	9,256	4,224	1,737
Total other assets	<u>261,458</u>	<u>249,941</u>	<u>175,633</u>	<u>180,395</u>

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

Borrowings from financial institutions, debts issued and other borrowings as at December 31, 2016 and 2015, were all domestic borrowings in Baht currency, which were classified as follows.

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2016			
Interest rate per annum (percent)	Remaining periods to maturity		Total
	At call	Within 1 year	
Borrowings from financial institutions			
Promissory notes	1.63	800,000	900,000
Total		800,000	900,000

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2016			
Interest rate per annum (percent)	Remaining periods to maturity		Total
	At call	Within 1 year	
Debts issued and other borrowings			
Bill of exchange	1.61	-	1,398,544
Structured notes	5.95	-	79,859
Total		-	1,478,403

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2015			
Interest rate per annum (percent)	Remaining periods to maturity		Total
	At call	Within 1 year	
Debts issued and other borrowings			
Bill of exchange	1.97	-	449,678
Structured notes	9.85	-	4,994
Total		-	454,672

20. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as at December 31, 2016 and 2015, consisted of the following:

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
December 31, 2016	December 31, 2015
Government bonds	540,000
	10,000

21. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2016 and 2015 are consist of following:

	Unit: Thousand Baht	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	December 31,	December 31,
	2016	2015
Payables under cash accounts		
- Equity securities	2,591,791	1,184,729
- Debt securities and derivatives	309,010	1,028,853
Payables under securities borrowing and lending business		
- Securities borrowing payables	657,427	1,008,869
- Guarantee deposit payables	360,055	166,461
Total securities and derivatives business payables	<u>3,918,283</u>	<u>3,388,912</u>

22. SUBORDINATED LOANS FROM SUBSIDIARIES

As at December 31, 2016 and 2015, the Company has the following subordinated loans, which are unsecured, non-interest bearing and in Baht currency, obtained from its two overseas subsidiaries.

- (a) As at December 31, 2016 and 2015, subordinated loan amounted to Baht 1,500 million, which was originally due for repayment on September 21, 2017. However, during 2016, the Company and the subsidiary agreed to extend the repayment date to be on August 31, 2020.
- (b) As at December 31, 2016 and 2015, subordinated loan amounted to Baht 436.5 million, which was originally due for repayment on August 31, 2017. However, during 2016, the Company and the subsidiary agreed to extend the repayment date to be on August 31, 2020.

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 SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Defined benefit obligation at beginning of years	71,387	46,737	60,664	42,187
Current service costs	14,306	12,373	11,492	10,679
Interest costs	3,072	2,412	2,583	2,155
Remeasurement				
Actuarial (gain) loss arising from changes in				
- Demographic assumptions	-	(2,234)	-	(3,871)
- Financial assumptions	-	2,009	-	(610)
- Experience	-	12,090	-	12,124
Benefits paid during the years	-	(2,000)	-	(2,000)
Defined benefit obligation at end of the years	88,765	71,387	74,739	60,664

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

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended December 31, 2016	For the years ended December 31, 2015	For the years ended December 31, 2016	For the years ended December 31, 2015
Current service costs	14,306	12,373	11,492	10,679
Interest costs	3,072	2,412	2,583	2,155
Total expense recognised in profit or loss	17,378	14,785	14,075	12,834

Principal actuarial assumptions at the valuation dates were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016 (% per annum)	2015 (% per annum)	2016 (% per annum)	2015 (% per annum)
Future salary incremental rates	3.50 - 6.50	3.50 - 6.50	3.50 - 5.00	3.50 - 5.00
Turnover rates	16.90 - 17.20	16.90 - 17.20	17.20	17.20
Discount rates	3.58 - 3.61	3.58 - 3.61	3.58	3.58

Significant Actuarial Assumptions - Impact on increase / (decrease) in Defined Benefit Obligation

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Salary incremental rates - 1% increase	10,365	8,084	8,790	6,926
Salary incremental rates - 1% decrease	(9,176)	(7,181)	(7,779)	(6,149)
Discount rate - 0.25% increase	(2,042)	(1,754)	(1,706)	(1,482)
Discount rate - 0.25% decrease	2,109	1,813	1,761	1,531

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, 2016 and 2015, 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, 2016 and 2015 are as follows:

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Brokerage fees from securities business	833,100	772,330	833,100	772,330
Brokerage fees from derivatives business	212,837	133,677	212,837	133,677
Other brokerage fees	39,413	51,362	39,794	52,033
Total brokerage fees	<u>1,085,350</u>	<u>957,369</u>	<u>1,085,731</u>	<u>958,040</u>

28. FEES AND SERVICE INCOME

Fees and service income for the years ended December 31, 2016 and 2015 are as follows:

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Mutual fund management	385,772	327,181	-	-
Private fund management	54,068	67,524	-	-
Provident fund management	8,305	6,824	-	-
Registrar and custodian	86,734	64,381	111	79
Securities borrowing and lending	6,963	4,769	6,963	4,769
Underwriting	31,001	27,156	31,001	27,156
Financial advisory	6,846	17,220	6,846	17,220
Placement agent	15,383	12,511	15,383	12,511
Others	34,179	35,130	32,660	19,709
Total fees and service income	<u>629,251</u>	<u>562,696</u>	<u>92,964</u>	<u>81,444</u>

29. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits (excluding 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".

Management's remuneration for the years ended December 31, 2016 and 2015 were as follows:

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the years ended		For the years ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Short-term employee benefits	231,760	193,839	176,021	135,868
Long-term employee benefits				
- Post-employment benefits	11,433	11,342	7,791	8,133
Total	243,193	205,181	183,812	144,001

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. The Company and the subsidiary company contributed to the fund monthly at the rate of 5 to 6 percent of basic salary for the years ended 31 December 2016 and 2015. 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, 2016 and 2015, Baht 22.3 million and Baht 21.5 million, respectively, were contributed to the fund by the Company and its subsidiary. (The Separate Financial Statements: Baht 15.9 million and Baht 15.4 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, 2016 and 2015 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, 2016 2015		SEPARATE FINANCIAL STATEMENTS For the years ended December 31, 2016 2015	
Profits for the years (Baht)	1,022,368,072	587,215,008	973,128,466	573,209,157
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)	0.51	0.29	0.49	0.29

33. INCOME TAX EXPENSES

Income tax expenses for the years ended December 31, 2016 and 2015 consisted of:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, 2016 2015		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS For the years ended December 31, 2016 2015	
Current income taxes:				
Current income tax charge	267,484	161,912	232,454	132,209
Adjustments in respect of current income taxes of previous year	3,524	7,557	3,524	7,557
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(13,606)	(12,046)	(10,646)	(11,123)
Income tax expense reported in profit or loss from operation	257,402	157,423	225,332	128,643

Reconciliation between income tax expenses and the product of accounting profits for the years ended December 31, 2016 and 2015 and applicable tax rates can be shown as follows:

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the years ended		For years ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Accounting profit before tax expenses	1,280,941	745,705	1,198,460	701,853
Applicable tax rates ⁽¹⁾	20%	20%	20%	20%
Accounting profits before income tax expenses				
multiplied by applicable tax rates	257,559	150,482	239,692	140,370
Adjustments in respect of income taxes of				
previous year	3,524	7,557	3,524	7,557
Tax effects of:				
Tax exempted revenue	(1,924)	(981)	(16,494)	(19,706)
Reversal of prior year's accruals of bonus	(6,598)	(6,658)	(6,598)	(6,658)
Non tax-deductible expenses	4,841	7,023	5,208	7,080
Income tax expense reported in profit or loss				
from operation	257,402	157,423	225,332	128,643
Average effective tax rate (%)	20.09	21.11	18.80	18.33


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

The Company used a tax rate of 20% for calculation of income tax expense for the years ended December 31, 2016 and 2015. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

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	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 (Holdings) Pte. Ltd.	A major shareholder of the Company
KGI Securities Company Limited	It is an indirect major shareholder of the Company through KGI Asia (Holdings) Pte. Ltd.
KGI Asia Limited	 <p>KGI Securities Company Limited is a major shareholder of these related companies and is an indirect major shareholder of the Company</p>
KGI Finance Limited	
KGI Hong Kong Limited	
KGI Securities (Hong Kong) Limited	
KGI Futures (Hong Kong) Limited	
KGI Capital (Singapore) Pte. Ltd.	
KGI Securities (Singapore) Pte. Ltd. (Changed from KGI Fraser Securities Pte. Ltd.)	
KGI Futures (Singapore) Pte. Ltd. (Changed from KGI Ong Capital Pte. Ltd.)	
Richpoint Company Limited	

34.2 Significant business transactions with its related parties

During the years ended December 31, 2016 and 2015, 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,			
2016	2015	2016	2015	Pricing Policies	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
<u>Fees and service income</u>					
One Asset Management Limited	-	-	2,446	3,102	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	-	-	72,849	93,625	Dividend as declared by a subsidiary
<u>Transactions with related parties</u>					
<u>Brokerage fee income</u>					
KGI Securities Company Limited	289	778	289	778	At the same rate charged to general customer, in accordance with criteria of the Stock Exchange of Thailand and the Office of the Security and Exchange Commission
KGI Asia Limited	125	2,277	125	2,277	
KGI Securities (Singapore) Pte. Ltd.	609	142	609	142	
<u>Custodian fee income</u>					
KGI Asia (Holdings) Pte. Ltd.	111	-	111	-	Baht 15 of every Baht 1 million securities outstanding value each day
Richpoint Company Limited	-	79	-	79	
<u>Commission fee expenses</u>					
KGI Futures (Hong Kong) Limited	2	3	2	3	Mutually agreed-upon fee
KGI Futures (Singapore) Pte. Ltd.	22	126	22	126	
<u>Traveling expenses</u>					
KGI Securities Company Limited	-	356	-	356	Actual amount base on agreement
<u>Transactions of subsidiaries with related parties</u>					
<u>Management fee expenses</u>					
KGI Hong Kong Limited	664	648	-	-	Negotiated rate base on prevailing market rates
<u>Transactions with management and directors</u>					
<u>Brokerage fee income</u>					
KGI Securities (Thailand) Plc.	166	391	166	391	At the same rate charged to general 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>					
KGI Securities (Thailand) Plc.	3,780	4,848	3,780	4,848	Negotiated rate base on prevailing market Rates

34.3 Outstanding balances

The outstanding balances with their related parties as at December 31, 2016 and 2015, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<u>Securities and derivatives business receivables</u>				
<i>Related company</i>				
KGI Securities Company Limited	-	319	-	319
<u>Accrued service fees</u> (presented as a part of “Other assets”)				
<i>Subsidiary</i>				
(Eliminated from the consolidated financial statements)				
One Asset Management Limited	-	-	477	543
<i>Related company</i>				
KGI Asia (Holdings) Pte. Ltd.	111	-	111	-
<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	-	6,451	-	6,451
KGI Futures (Singapore) Pte. Ltd.	-	9,972	-	9,972
<u>Capital expenditure for developing computer system</u>				
(presented as a part of “Intangible assets - net”)				
<i>Related company</i>				
KGI Securities Company Limited	19,133	18,061	19,133	18,061
<u>Advances to related companies of subsidiaries</u>				
(presented as a part of “Other assets”)				
KGI Asia Limited	811	816	-	-
<u>Securities and derivatives business payables</u>				
<i>Related company</i>				
KGI Asia (Holdings) Pte. Ltd.	5,754	-	5,754	-
<i>Transactions with management and directors</i>				
KGI Securities (Thailand) Plc.	100	-	100	-
<u>Advances received</u> (presented as a part of “Other liabilities”)				
<i>Subsidiary</i>				
(Eliminated from the consolidated financial statements)				
KGI Securities (Thailand) International Holdings Limited	-	-	1,337	1,346
<i>Related company</i>				
KGI Securities Company Limited	3,569	2,481	3,569	2,481
<u>Other payables and advance received from related companies of subsidiaries</u>				
(presented as a part of “Other liabilities”)				
<i>Related companies</i>				
KGI Hong Kong Limited	2,521	1,664	-	-
<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	436,500

35. DIVIDENDS

The Company

During the years ended December 31, 2016 and 2015 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 2015	Annual General Meeting of the Company’s shareholders on April 19, 2016	567,628	0.285
Total for the year ended December 31, 2016		567,628	0.285
Annual dividend for the year 2014	Annual General Meeting of the Company’s shareholders on April 9, 2015	726,962	0.365
Total for the year ended December 31, 2015		726,962	0.365

Domestic subsidiary

During the years ended December 31, 2016 and 2015, the Annual General Meeting (“AGM”) of a subsidiary company’s shareholders and the Board of Directors’ Meeting resolved to approve the payments of dividends as follows:

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Interim dividend from retained earnings as of December 31, 2015	Board of Directors’ meeting of a subsidiary company on May 25, 2016	73,500	7.00
Total for the year ended December 31, 2016		73,500	7.00
Annual dividend for the year 2014	Annual General Meeting of a subsidiary company’s shareholders on March 30, 2015	47,250	4.50
Interim dividend for earnings from January 1, 2015 to June 30, 2015	Board of Directors’ meeting of a subsidiary company on August 26, 2015	47,250	4.50
Total for the year ended December 31, 2015		94,500	9.00

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, 2016 and 2015.

	Unit: Million Baht									
	For the years ended December 31,									
	Securities		Investment		Security		Asset management		Consolidated	
	brokerage segment		banking segment		trading segment		segment		financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external	1,132	996	77	70	1,377	778	544	491	3,130	2,335
Total revenues	1,131	996	55	60	1,404	791	544	491	3,134	2,338
Profits by segment	527	463	41	43	1,017	399	172	144	1,757	1,049
Unallocated revenues and expenses:										
Interest income									86	76
Other income									9	25
Operating expenses									(476)	(329)
Interest expenses									(96)	(75)
Income taxes									(257)	(158)
Non-controlling interests									(1)	(1)
Profits for the years									1,022	587

The following table presents assets by operating segment as at December 31, 2016 and 2015.

	Unit: Million Baht					
	Securities		Investment	Security trading	Asset management	Consolidated
	brokerage segment		banking segment	segment	segment	financial statements
Segment assets						
As at December 31, 2016	6,218		-	6,673	457	14,131
As at December 31, 2015	4,786		-	3,538	384	9,649

37. COMMITMENTS AND CONTINGENT LIABILITIES

37.1 Contingent liabilities from litigation cases

As at 31 December 2016, the Company has the following significant contingent liabilities from litigation cases.

The Company

- (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 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 authorized 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. In April 2016, the Supreme Court ruled by ordering the Company and the former marketing officer to jointly liable for the damages as claimed. The Company already paid such damages in June 2016.

- (3) 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 plaint and also file a counter lawsuit against such client with total claim amount of Baht 0.2 million, plus interest. In June 2015, the court ruled in favor of the client, with total claim of Baht 0.2 million plus interest. The Company has appealed to the Appeal Court until the lawsuit was dismissed in a ruling made by the Appeal Court in September 2016. Then, in December 2016, the client has filed a petition asked for Court's permission to appeal the lawsuit to the Supreme Court. Currently, such petition is under consideration by the Supreme Court. However, the Company has already recorded the liability of Baht 0.2 million in the financial statements for the year 2014.
- (4) 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. In October 2015, the lawsuit was dismissed in a ruling made by the Court of First Instance. Then, in November 2016, the ruling was affirmed by the Appeal Court. Currently, the case is absolute and final because the client did not appeal with the Supreme Court within the timeframe provided. However, the Company has already recorded the liabilities of baht 2.8 million in the financial statements for the year 2015.
- (5) In January 2016, a civil lawsuit has been brought against the Company in connection with the execution of a legal order against a debtor of the Company. The total claims amounting was Baht 11.62 million, plus interest. In July 2016, the lawsuit was dismissed in a ruling made by the Court of First Instance. In September 2016, the plaintiff has appealed to the Appeal Court. Currently, the case is under consideration by the Appeal Court. However, the Company's legal advisor has an opinion that there will not be losses to the Company as a result of this lawsuit.
- (6) In May 2016, a client sent the Company a legal notice regarding the client's stock transfer to a third party. The client argued that such transaction has not been done by the client, and then claimed damages amounting to Baht 2.7 million plus interest. In July 2016, such client has filed a civil lawsuit against the Company and the former marketing officer with total claims amount to baht 2.9 million, plus interest. Currently, the case is under consideration by the Court of First Instance. However, the Company already recorded the liabilities of Baht 2.9 million in the financial statements as at December 31, 2016.

A subsidiary

In November 2015, a domestic subsidiary had been filed a petition as a codefendant with the former employee at Southern Bangkok Civil Court with total claims amounting to Baht 8.6 million, plus interest. In October 2016, the Court of First Instance dismissed the plaintiff's lawsuit. Subsequently, the plaintiff has appealed to the Appeal Court. Currently, the case is under consideration by the Appeal Court. Therefore, the subsidiary's management believes that the outcome will not impact significantly to the subsidiary's financial position and performance.

37.2 Commitments

As at December 31, 2016 and 2015, significant commitments 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, 2016	December 31, 2015	December 31, 2016	December 31, 2015
1 year	136	118	115	99
Over 1 year but not over 5 years	267	100	235	99
Over 5 years	1	-	1	-
Total	404	218	351	198

- (2) The Company has an obligation in respect of an agreement related to maintenance of computers and provision of related services under which the Company is to pay a monthly fee of approximately Baht 1.7 million and Baht 1.5 million, respectively. 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 678,364 and USD 419,296, respectively.
- (4) A subsidiary has an obligation in respect of an agreement related to maintenance of computer software under which the subsidiary is to pay an annual fee of approximately Baht 5.1 million and Baht 5.0 million, respectively. No due date is stipulated in the agreement.

37.3 Commitments in respect of derivatives trading

Derivatives as at December 31, 2016 and 2015 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	December 31, 2016			
	Long position		Short position	
	No. of Contracts	Fair Value (Thousand Baht)	No. of Contracts	Fair Value (Thousand Baht)
Derivatives on future market				
<u>Thailand Futures Exchange</u>				
Futures	1,261	-	326,943	-
Options	1,097	5,587	12	49
Total derivatives on future market	2,358	5,587	326,955	49
Derivatives on the Stock Exchange of Thailand				
Warrants	4	43,042	-	-
Derivative warrants	-	-	129	246,533
Total Derivatives on the Stock Exchange of Thailand	4	43,042	129	246,533
Over-the-Counter derivatives (OTC)				
Interest Rate Swap	1	12,572	1	12,343
Exotic options	2	2	-	-
Total Over-the-Counter derivatives (OTC)	3	12,574	1	12,343

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2015				
	Long position		Short position	
	No. of	Fair Value	No. of	Fair Value
	Contracts	(Thousand Baht)	Contracts	(Thousand Baht)
Derivatives on future market				
<u>Thailand Futures Exchange</u>				
Futures	4,611	-	72,049	-
Options	218	639	664	8,277
Total	4,829	639	72,713	8,277
<u>Overseas Futures Market</u>				
Futures	-	-	17	-
Total	-	-	17	-
Total derivatives on future market	4,829	639	72,730	8,277
Derivatives on the Stock Exchange of Thailand				
Warrants	7	2,117	-	-
Derivative warrants	-	-	88	76,653
Total Derivatives on the Stock Exchange of Thailand	7	2,117	88	76,653
Over-the-Counter derivatives (OTC)				
Interest Rate Swap	1	19,212	1	19,070
Exotic options	1	431	-	-
Forward contract	1	94	-	-
Total Over-the-Counter derivatives (OTC)	3	19,737	1	19,070

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, 2016 and 2015, 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, 2016										
	Fixed interest rate					Without interest	Total	Interest rates		
	Floating interest rate	Remaining period to the contractual reprising date or maturity date						Floating Percentage	Fixed Percentage	Effective interest rates
		Within 1 year	1 - 5 years	Over 5 years	Unspecified					
<u>Financial Assets</u>										
Cash and cash equivalents	281	48	-	-	-	63	392	0.48	1.35	0.60
Deposits at financial institutions	-	166	-	-	-	-	166	-	1.52	1.52
Securities purchased under resale agreements	-	370	-	-	-	-	370	-	2.52	2.52
Receivables from Clearing House	225	-	-	-	-	1,901	2,126	1.39	-	1.39
Securities and derivatives business receivables - net	36	1,971	-	-	-	3,093	5,100	0.77	6.00	5.91
Derivatives assets	-	-	-	-	-	61	61	-	-	-
Investments - net	-	40	132	-	-	5,243	5,415	-	2.64	2.68
<u>Financial liabilities</u>										
Borrowing from financial institutions	800	900	-	-	-	-	1,700	1.70	1.57	1.63
Securities sold under repurchase agreements	-	540	-	-	-	-	540	-	1.57	1.57
Securities and derivatives business payables	-	-	-	-	-	3,918	3,918	-	-	-
Derivatives liabilities	-	-	-	-	-	259	259	-	-	-
Debts issued and other borrowings	-	1,478	-	-	-	-	1,478	-	1.85	1.85

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS										
Outstanding balance of financial instruments as at December 31, 2015										
	Floating interest rate	Fixed interest rate				Without interest	Total	Interest rates		Effective
		Remaining period to the contractual reprising date or maturity date						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	394	-	-	-	-	53	447	0.74	1.00	0.74
Deposits at financial institutions	-	243	-	-	-	-	243	-	1.77	1.77
Securities purchased under resale agreements	-	140	-	-	-	-	140	-	1.40	1.40
Receivables from Clearing House	475	-	-	-	-	464	939	1.72	-	1.72
Securities and derivatives business receivables - net	64	1,719	-	-	-	3,271	5,054	0.77	6.00	5.81
Derivatives assets	-	-	-	-	-	22	22	-	-	-
Investments - net	-	-	22	674	-	1,612	2,308	-	3.54	1.65
<u>Financial liabilities</u>										
Securities sold under repurchase agreements	-	10	-	-	-	-	10	-	1.45	1.45
Payables to Clearing House	-	-	-	-	-	117	117	-	-	-
Securities and derivatives business payables	-	-	-	-	-	3,389	3,389	-	-	-
Derivatives liabilities	-	-	-	-	-	104	104	-	-	-
Debts issued and other borrowings	-	455	-	-	-	-	455	-	2.05	2.05

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS
Outstanding balance of financial instruments as at December 31, 2016

	Fixed interest rate							Interest rates		Effective	
	Floating	Remaining period to the contractual				Without	Total	Floating	Fixed	Interest	
		reprising date or maturity date									Interest
		Within 1 year	1 - 5 years	Over 5 years	Unspecified						
	interest rate							Percentage	Percentage	Percentage	
<u>Financial Assets</u>											
Cash and cash equivalents	146	-	-	-	-	63	209	0.69	0.85	0.69	
Deposits at financial institutions	-	1	-	-	-	-	1	-	1.55	1.55	
Securities purchased under resale agreements	-	370	-	-	-	-	370	-	2.52	2.52	
Receivables from Clearing House	225	-	-	-	-	1,901	2,126	1.39	-	1.39	
Securities and derivatives business receivables - net	36	1,971	-	-	-	3,093	5,100	0.77	6.00	5.91	
Derivatives assets	-	-	-	-	-	61	61	-	-	-	
Investments - net	-	-	124	-	-	5,064	5,188	-	2.53	2.04	
Investments in subsidiaries - net	-	-	-	-	-	2,550	2,550	-	-	-	
<u>Financial liabilities</u>											
Borrowing from financial institutions	800	900	-	-	-	-	1,700	1.70	1.57	1.63	
Securities sold under repurchase agreements	-	540	-	-	-	-	540	-	1.57	1.57	
Securities and derivatives business payables	-	-	-	-	-	3,918	3,918	-	-	-	
Subordinated loans from subsidiary companies	-	-	-	-	-	1,937	1,937	-	-	-	
Derivatives liabilities	-	-	-	-	-	259	259	-	-	-	
Debts issued and other borrowings	-	1,478	-	-	-	-	1,478	-	1.85	1.85	

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS
Outstanding balance of financial instruments as at December 31, 2015

	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	281	-	-	-	-	53	334	0.99	0.85	0.99
Deposits at financial institutions	-	-	-	-	-	-	-	-	1.00	1.00
Securities purchased under resale agreements	-	140	-	-	-	-	140	-	1.40	1.40
Receivables from Clearing House	475	-	-	-	-	464	939	1.72	-	1.72
Securities and derivatives business receivables - net	64	1,719	-	-	-	3,271	5,054	0.77	6.00	5.81
Derivatives assets	-	-	-	-	-	22	22	-	-	-
Investments - net	-	-	13	674	-	1,420	2,107	-	3.52	1.65
Investments in subsidiaries - net	-	-	-	-	-	2,550	2,550	-	-	-
<u>Financial liabilities</u>										
Securities sold under repurchase agreements	-	10	-	-	-	-	10	-	1.45	1.45
Payables to Clearing House	-	-	-	-	-	117	117	-	-	-
Securities and derivatives business payables	-	-	-	-	-	3,389	3,389	-	-	-
Subordinated loans from subsidiary companies	-	-	-	-	-	1,937	1,937	-	-	-
Derivatives liabilities	-	-	-	-	-	104	104	-	-	-
Debts issued and other borrowings	-	455	-	-	-	-	455	-	2.05	2.05

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, 2016 and 2015, counting from the statements of financial position date are as follows:

						Unit: Million Baht
CONSOLIDATED FINANCIAL STATEMENTS						
as at December 31, 2016						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	279	48	-	-	65	392
Deposits at financial institutions	-	166	-	-	-	166
Securities purchased under resale agreements	-	370	-	-	-	370
Receivables from Clearing House	-	2,126	-	-	-	2,126
Securities and derivatives business receivables - net	-	3,100	29	-	1,971	5,100
Derivatives assets	-	48	13	-	-	61
Investments – net	-	40	132	-	5,243	5,415
<u>Financial liabilities</u>						
Borrowing from financial institutions	800	900	-	-	-	1,700
Securities sold under repurchase agreements	-	540	-	-	-	540
Securities and derivatives business payables	-	3,918	-	-	-	3,918
Derivatives liabilities	-	247	12	-	-	259
Debts issued and other borrowings	-	1,478	-	-	-	1,478

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
as at December 31, 2015

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	394	-	-	-	53	447
Deposits at financial institutions	-	243	-	-	-	243
Securities purchased under resale agreement	-	140	-	-	-	140
Receivables from Clearing House	-	939	-	-	-	939
Securities and derivatives business receivables - net	-	3,306	29	-	1,719	5,054
Derivatives assets	-	1	21	-	-	22
Investments - net	-	-	22	674	1,612	2,308
<u>Financial liabilities</u>						
Securities sold under repurchase agreements	-	10	-	-	-	10
Payables to Clearing House	-	117	-	-	-	117
Securities and derivatives business payables	-	3,389	-	-	-	3,389
Derivatives liabilities	-	85	19	-	-	104
Debts issued and other borrowings	-	455	-	-	-	455

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS
as at December 31, 2016

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	145	-	-	-	64	209
Deposits at financial institutions	-	1	-	-	-	1
Securities purchased under resale agreements	-	370	-	-	-	370
Receivables from Clearing House	-	2,126	-	-	-	2,126
Securities and derivatives business receivables - net	-	3,100	29	-	1,971	5,100
Derivatives assets	-	48	13	-	-	61
Investments - net	-	-	124	-	5,064	5,188
Investments in subsidiaries - net	-	-	-	-	2,550	2,550
<u>Financial liabilities</u>						
Borrowing from financial institutions	800	900	-	-	-	1,700
Securities sold under repurchase agreements	-	540	-	-	-	540
Securities and derivatives business payables	-	3,918	-	-	-	3,918
Subordinated loans from a subsidiary companies	-	-	1,937	-	-	1,937
Derivatives liabilities	-	247	12	-	-	259
Debts issued and other borrowings	-	1,478	-	-	-	1,478

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS
as at December 31, 2015

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	281	-	-	-	53	334
Deposits at financial institutions	-	140	-	-	-	140
Receivables from Clearing House	-	939	-	-	-	939
Securities and derivatives business receivables - net	-	3,306	29	-	1,719	5,054
Derivatives assets	-	1	21	-	-	22
Investments - net	-	-	13	674	1,420	2,107
Investments in subsidiaries - net	-	-	-	-	2,550	2,550
<u>Financial liabilities</u>						
Borrowing from financial institutions	-	10	-	-	-	10
Securities sold under repurchase agreements	-	117	-	-	-	117
Securities and derivatives business payables	-	3,389	-	-	-	3,389
Subordinated loans from a subsidiary companies	-	-	1,937	-	-	1,937
Derivatives liabilities	-	85	19	-	-	104
Debts issued and other borrowings	-	455	-	-	-	455

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, 2016 and 2015, 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.

As at December 31, 2016, the Company and its subsidiary companies have no forward exchange contracts. As at December 31, 2015, 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 follows:

Foreign currency	Sold amount (Million)	December 31, 2015	
		Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
USD	0.17	36.4940	January 2016

38.6 Fair value

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

38.6.1 Financial assets and financial liabilities measured at fair value

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

CONSOLIDATED FINANCIAL STATEMENTS					Unit: Thousand Baht
Financial assets/ Financial liabilities	Fair value December 31, 2016	Fair value December 31, 2015	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs and relationship of unobservable inputs to fair value ⁽¹⁾
Financial Assets					
Derivatives assets					
Warrants	43,042	2,117	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Options	5,587	639	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	12,572	19,212	Level 3	Cash flow estimated with fixed and floating interest rates, and discounted to maturity date with cost of capital of counter party	The lower cost of capital of counter party, the higher fair value
Exotic options	2	431	Level 3	Cash flow estimated with fair value of underlying asset and strike price discounted to maturity date with cost of capital	The lower cost of capital, the higher fair value
Forward contract	-	94	Level 2	Exchange rate of the last working day of the reporting period as announced by Bank of Thailand	-
Investments - Net					
Trading securities					
Listed securities	5,043,397	1,399,293	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Investments units	6	6	Level 2	Net asset values of the last working day of the reporting period	-
Debt securities	123,969	687,277	Level 2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association	-
Available-for-sale securities					
Foreign investments units	178,114	192,194	Level 2	Net asset values of the last working day of the reporting period	-
Financial Liabilities					
Derivatives Liabilities					
Derivatives warrants	246,533	76,653	Level 1	Latest offer prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Options	49	8,277	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	12,343	19,070	Level 3	Cash flow estimated with fixed and floating interest rates, and discounted to maturity date with cost of capital of counter party	The lower cost of capital of counter party, the higher fair value

SEPARATE FINANCIAL STATEMENTS					Unit: Thousand Baht
Financial assets/ Financial liabilities	Fair value December 31, 2016	Fair value December 31, 2015	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs and relationship of unobservable inputs to fair value ⁽¹⁾
<u>Financial Assets</u>					
Derivatives assets					
Warrants	43,042	2,117	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Options	5,587	639	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	12,572	19,212	Level 3	Cash flow estimated with fixed and floating interest rates, and discounted to maturity date with cost of capital of counter party	The lower cost of capital of counter party, the higher fair value
Exotic options	2	431	Level 3	Cash flow estimated with fair value of underlying asset and strike price discounted to maturity date with cost of capital	The lower cost of capital, the higher fair value
Forward contract	-	94	Level 2	Exchange rate of the last working day of the reporting period as announced by Bank of Thailand	-
Investments - Net					
Trading securities					
Listed securities	5,043,397	1,399,293	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Investments units	6	6	Level 2	Net asset values of the last working day of the reporting period	-
Debt securities	123,969	687,277	Level 2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association	-
<u>Financial Liabilities</u>					
Derivatives Liabilities					
Derivatives warrants	246,533	76,653	Level 1	Latest offer prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Options	49	8,277	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	12,343	19,070	Level 3	Cash flow estimated with fixed and floating interest rates, and discounted to maturity date with cost of capital of counter party	The lower cost of capital of counter party, the higher fair value

(1) Applicable only for the fair value hierarchy Level 3

38.6.2 Financial instruments not measured at fair value

In estimating the fair value of financial assets and financial liabilities, which are not measured at fair value, are categorized into level 3. Valuation techniques are net present value of expected cash inflow/outflow, but valuation technique for general investments is net asset value as follow.

	CONSOLIDATE FINANCIAL STATEMENT		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENT	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Carrying amount/ Fair value	Carrying amount/ Fair value	Carrying amount/ Fair value	Carrying amount/ Fair value
<u>Financial assets</u>				
Cash and cash equivalents	392,297	446,998	209,034	333,522
Deposits at financial institutions	166,322	243,358	622	2
Securities purchased under resale agreements	370,000	140,000	370,000	140,000
Receivables from Clearing House	2,126,104	939,090	2,126,104	939,090
Securities and derivatives business receivables - net	5,099,765	5,053,544	5,099,765	5,053,544
Held-to-maturity debt securities	48,373	8,569	-	-
General investments	20,750	20,750	20,750	20,750
Investments in subsidiaries – net	-	-	2,549,886	2,549,783
<u>Financial liabilities</u>				
Borrowing from financial institutions	1,700,000	-	1,700,000	-
Securities sold under repurchase agreements	540,000	10,000	540,000	10,000
Payables to Clearing House	-	117,451	-	117,451
Securities and derivatives business payables	3,918,283	3,388,912	3,918,283	3,388,912
Subordinated loans from a subsidiary companies	-	-	1,936,500	1,936,500
Debts issued and other borrowings	1,478,403	454,672	1,478,403	454,672

39. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' meeting of the Company No. 1/2017 held on February 22, 2017 passed a resolution to propose to the Annual General Meeting of the Company's shareholders for an approval of dividend payment of Baht 0.38 per share, or a total of approximately Baht 757 million from the earnings of the January 1, 2016 to December 31, 2016 period. The dividend will be paid in May 2017.

The Board of Directors' meeting of the subsidiary company No. 1/2017 held on February 21, 2017 passed a resolution to propose to the Annual General Meeting of the subsidiary Company's shareholders for an approval of dividend payment of Baht 7 per share, or a total of approximately Baht 73.50 million from the earnings of the January 1, 2016 to December 31, 2016 period. The dividend will be paid in April 2017.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 22, 2017.

www.kgieworld.co.th