



KGI

Annual Report

Partnership for Success 2017

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Chairman's Letter

Dear Shareholders,

We are pleased to present to you KGI Securities (Thailand)'s financial results and annual report for 2017.

2017 was a year of contrasts and extremes. For most of the year the Thai securities market traded sideways with low volume and even lower volatility. Then, in September, the market began to climb on high volume and ended the year at close to its all time high. Thanks to our diversified business structure and carefully balanced business operations, the Company was able to maximize its profitability in all types of market environment. For the full year of 2017 we achieved an audited net profit of Baht 887 million which is equivalent to Earnings per Share of Bt 0.45. This is an impressive result considering the very low levels of market activity seen in the first 8 months of the year.

The Board of Directors has approved the payment of a dividend of Baht 0.32 per share, which will be proposed to the Annual General Meeting ("AGM") of shareholders to be held on 10th April 2018, and is expected to be paid on or about 9th May 2018.



Mr. Foong Hock Meng
Chairman



Mr. Chih - Hung Lin
Chief Operating Officer

2017 in review

2017 was a year of recovery and renewal which started quietly with low levels of market activity but which saw sentiment and economic activity gradually improve and ended with high levels of securities trading volume, close to all time high index levels, and with optimism for the future.

Globally, economic growth was generally better in 2017 than it was in 2016. Commodity prices, especially oil, continued their recovery. Interest rates passed the bottom of the cycle and began to rise.

In the US President Trump's term in office got off to an uncertain start but by the year end congress had passed a substantial package of tax cuts which are hoped to stimulate a wave of corporate spending and investment in future years. US GDP growth was estimated to have been 2.3% for the year. In Europe uncertainty over the Brexit negotiations remained a concern, but economic growth started to accelerate although from a low base.

In China, President Xi Jinping's position was renewed for a second 5 year term at the 19th National Congress, where he reiterated his plans for China to become a more dominant world power in part through its major domestic and international infrastructure campaign; the One Belt and One Road initiative. One Belt One Road is planned to be a decades long infrastructure investment program with significant emphasis on South East Asia, as well as the rest of Asia, Europe and North Africa. Thailand should certainly be a beneficiary of increased trade with and investment from China.

Thailand

Thailand's GDP was estimated to have grown by 3.9% in 2017, with the rate of growth accelerating towards the end of the year. GDP growth was driven in particular by strongly rising exports and tourism, improving consumer spending and significant public investment. Inflation remained low at 0.7%. Economic growth is expected to accelerate further in 2018. The political situation has stabilized and new democratic elections are expected to take place in 2019.

The Thai stock market performed well during 2017 rising by 14% for the year as a whole. The SET index closed at 1,754 points with average daily volume of Baht 50.1 billion compared with Baht 52.5 billion in 2016. Foreign investors were net sellers of Baht 25.8 billion. Market capitalization increased to Baht 17.59 trillion at the end of 2017, an increase of 16.6% from the end of 2016. The positive market performance was driven by a combination of a stable political environment, government spending on infrastructure projects, accelerating economic growth, improving regional and global sentiment towards developing markets such as Thailand leading to an inflow of foreign investment.

KGI Securities (Thailand)

One of our Company's strengths is its diversified business operations and that again proved to be the case in 2017 with all business units making a positive contribution to the company's performance.

In 2017 the Company again won several awards from both SET and TFEX. These included; SET: Best Derivatives House Award, and TFEX: Most Active House, and Best Market Maker for Equity Futures.

The Company ranked 13th in trading volume with a 3.27% market share and in the TFEX market, the Company ranked 1st in trading volume with a 12.12% market share.

The Company successfully acted as lead underwriter and co-underwriter for several debentures. We were appointed as a financial advisor and lead underwriter for 13 IPOs, and also acted as co-underwriters in 9 IPOs. The Company successfully performed a financial advisory role for fund raising of both debt and equity, for listed and non-listed companies

The Company remained a leader in the Derivative Warrants business. In 2017, the Company launched 297 DWs which received a great response from investors. From 2009 to the end of 2017, the Company has launched a total of 1,350 DWs

In Fixed Income, in 2017, the Company was again ranked No. 1 in bond trading among securities houses and ranked No. 5 in corporate bond trading value among all dealers with a market share of 10.21%.

Our asset management subsidiary ("ONEAM") successfully launched REIT, equity and fixed income funds. In 2017, ONEAM issued 8 new funds and as at 31st December 2017, ONEAM had total assets under management of Baht 98.51 billion.

Dividend

The Company has a flexible dividend policy and each year the Company's Board of Directors and its management will consider the Company's financial position, market conditions and investment opportunities before determining the appropriate dividend to be paid to shareholders. Given the positive outlook for Thai securities markets in 2018 the Company expects to grow its business scale in existing operations. This will inevitably require additional capital and as a result the Company will need to retain some of its profits from 2017 to fund this business growth. The Board of Directors has resolved to propose the payment of a dividend of Baht 0.32 per share, representing a dividend pay-out ratio of 72%. The dividend will be proposed to shareholders for approval at the shareholders' Annual General Meeting to be held on 10th April 2018 and, subject to approval by shareholders, is expected to be paid to shareholders on or about 9th May 2018.

Outlook for 2018

The Company is optimistic about the outlook for both Thailand's domestic economic performance and for global economic growth in 2018.

2018 will be the first year in a long time in which we will see strong synchronized economic growth with all of the world's major economies showing positive growth, and in most cases faster growth in 2018 than

in 2017. The IMF is projecting global GDP growth of 3.9% which is the highest level seen since the worldwide financial collapse in 2008.

In Thailand GDP growth is forecast to accelerate from an estimated 3.9% in 2017 to 4.8% in 2018. The Thai stock market outlook is positive with listed company EPS growth expected to accelerate to 14%. In addition foreign ownership of Thai equities is currently at a relatively low level with many foreign investment funds being underweight Thailand. We expect that increasing foreign equity investment in the Thai market will be positive force acting on the SET in 2018.

The Company target a SET index level of 1,850 based on historic average valuation levels. However there is potential for the Thai equity market to perform even better this year.

Of course there are always risks, and financial markets will also face some head-winds this year. These include the fact that equity prices are already relatively fully valued, interest rates have passed the bottom of the cycle and in some cases, such as the US, have already begun to rise. In Thailand interest rates have not yet increased but are expected to do so in 2018 – we expect at least one 0.25% rate rise this year and four more in 2019. Commodity prices have also been rising steadily since their low point in early 2016, and the rate of this increase has accelerated recently, especially so in the case of oil. These commodity price rises along with growing consumer demand may in turn lead to rising inflation.

However, the overall outlook for Asian markets in general and Thailand in particular is positive, and we remain very optimistic about the outlook for our Company.

Corporate Social Responsibility

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

In 2017 the Company focused its CSR activity on its Bicycle Donation Project. The Company donated bicycles to primary and middle school students who live far from their schools and can not afford any other means of transport. In 2017 the Company donated more than 1,000 bicycles with a value of Bt1,500,000 to students throughout the country.

Stakeholders

Finally, I would like to take this opportunity to thank all of the Company's employees for their hard work and dedication throughout the year, and 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 2017, the Committee held a total of six (6) meetings with the Company's management and both the internal and external auditors. All the Committee's members attended these meetings. The Committee performed its duties as assigned by the Board of Directors in accordance with the charter of the Audit Committee. The Committee reported its performance to the Board every quarter and made recommendations for necessary actions to be taken by the Company. The Committee's significant activities have been summarized below.

1. Reviewing of financial statements

The Audit Committee reviewed the quarterly and yearly financial statements for the year 2017 of the Company and its subsidiaries with the Head of Finance and Accounting Department, Audit Department, and the external auditors. The Committee also discussed significant accounting policies and key issues with the Company's management and external auditors, along with estimates and judgments applied to the financial statements.

In addition, the Committee 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 and discuss private matters and issues that had arisen while performing their duties.

The Audit Committee agreed that the financial statements of KGI Securities (Thailand) Public Company Limited and its subsidiaries for year ended 31st December 2017 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 on 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 2017. In addition, the Committee also reviewed the audit results regarding the Company's internal control system, including the security of the information systems, which had been conducted by the internal audit team and the external auditor. For the assessment result for the year 2017, 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 Securities and Exchange Act and laws relating to the Company's business along with considering the quarterly and annual reports of the Legal and Compliance Department for the year 2017. In 2017, the Audit Committee agreed that the Company closely controlled and audited the performance of its units to ensure that they worked appropriately and complied with the related rules.

4. Reviewing of related party transactions

In 2017, the Audit Committee reviewed the Company's related party transactions and/or transactions that might have led to a conflict of interest, 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 2017, 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. Appointment of the external auditor and auditing fee for 2018

The Audit Committee considered the performance of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd in the past year, and agreed that the Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd and its auditor, has expertise in the auditing of financial businesses including suggestions and consultation on accounting, tax and internal control. 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 2018 accounting period. The Audit Committee also proposed to consider and approve the auditing fee for 2018 of Baht 1,960,000, which remained the same as the previous year. The 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	4 Years (Year 2014-2017)
Mr. Wonlop Vilaivaravit	6797	Has never signed the Company's financial statements
Mrs. Nisakorn Songmanee	5035	Has never signed the Company's financial statements
Mrs. Wilasinee Krishnamra	7098	Has never signed the Company's financial statements

7. Anti-Corruption

In 2017, The Audit Committee has reviewed the Policies and Guidelines to prevent and combat corruption and also reviewed the self-evaluation form for countering bribery in order to apply for re-certification by the Private Sector Collective Action Coalition Against Corruption ("CAC"), having already been a certified member since 2015.

8. Revision of the Audit Committee Charter

In the case where it was considered to be necessary and appropriate, the Audit Committee was able to revise its Charter and proposed amendments to the Company's Board of Directors for consideration and approval. These included the Audit Committee's authority, scope of work duties, and meetings to be in line with the principles of good corporate governance, as well as the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission. In 2017, the Audit Committee has reviewed the Audit Committee Charter and agreed that it is up-to-date and appropriate to the Company's environment.

9. 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 2017. 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 2017 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

Finance Highlights

Consolidated Financial Statements	Y2017	Y2016	Y2015
Total Assets (Million Baht)	17,025	14,132	9,655
Total liabilities (Million Baht)	11,428	8,648	4,612
Equity attributable to equity holders of the parent (Million Baht)	5,594	5,481	5,041
Total revenue (Million Baht)	3,058	3,246	2,482
Profits for the years attributable to equity holders of the parent (Million Baht)	887	1,022	587
Earnings per share attributable to equity holders of the parent			
- Basic earning per share (Baht per share)	0.45	0.51	0.29
Book value per share (Baht per share)	2.81	2.75	2.53
Gross profit margin (%)	83.69%	85.38%	81.08%
Net profit margin (%)	29.00%	31.50%	23.66%
Return on equity (%)	16.02%	19.43%	11.52%
Net Capital Ratio (NCR) (%)	42.79%	59.31%	131.06%

The Company's dividend payment information

Separate financial statements ^{1/}	Y2017	Y2016	Y2015
Basic earnings per share (Baht per share)	0.445	0.489	0.288
Dividend per share (Baht per share)	0.320	0.380	0.285
Dividend pay-out ratio (%) (Dividend per share /Basic earning per share of separate financial statements)			
-separate financial statements (Equity Method)	72%	-	-
-separate financial statements (Cost method)	77% ^{2/}	78%	99%

Note:

1/ The Company has elected to change accounting policy relating to investments in subsidiaries in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards. (See details in Note to Financial Statements no.3)

- Year 2017: The separate financial statements presented investments in subsidiaries under equity method.
- Year 2015-2016: The separate financial statements presented investments in subsidiaries under cost method.

2/ Presented as comparative information

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 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 in investment units of mutual funds 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, 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 2017, 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) Thaniya Branch	3) Samut Sakhon Branch	9) Udon Thani Branch
4) Silom Complex Branch	4) Suphan Buri Branch	10) Nakhon Pathom 2 Branch
5) Pracha Chuen Branch	5) Nakhon Sawan Branch	11) Udon Thani Cyber Branch
	6) Nakhon Pathom 1 Branch	12) Chiang Mai

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

2560 / 2017	SET AWARD , Best Derivatives House Award TFEX BEST AWARDS , TFEX Most Active House, TFEX Most Active Agent, Market Maker Best Performance for equity futures and Most Active Prop-Trading of the Year (2 nd place)
2559 / 2016	THAI BMA AWARDS , Best Bond Securities Firm SET AWARD , Best Derivatives House Award
2558 / 2015	THAI BMA AWARDS , Best Bond Securities Firm TFEX BEST AWARDS , TFEX Most Active House and Prop-Trading of the Year (1 st place) and Agent of the Year (1 st place) SET AWARD , Outstanding Derivatives House
2557 / 2014	THAI BMA AWARDS , Best Bond Securities Firm TFEX BEST AWARDS , Most Active House and Prop-Trading of the Year (1 st place) and Market Maker Best Performance for Equity Product SET AWARD , Outstanding Derivatives House
2556 / 2013	THAI BMA AWARDS , Best Bond Securities Firm TFEX BEST AWARDS , Most Active House and Prop-Trading of the Year (1 st place) and Market Maker Best Performance for Equity Product and Agent of the Year (3 rd place)
2555 / 2012	THAI BMA AWARDS , Best Bond Securities Firm TFEX PROP-TRADING CHAMPION , Most Growth Champion
2554 / 2011	TFEX PROP-TRADING CHAMPION , Most Growth Trader and TFEX Best Trader
2553 / 2010	THAI BMA AWARDS , Best Bond Securities Firm TFEX BEST AWARDS , Most Active House
2552 / 2009	THAI BMA AWARDS , Best Bond Securities Firm SET CONGRATULATIONS , The Company became the first securities company in Thailand to launch Derivative Warrants
2550 / 2007	THAI BMA AWARDS , Best Bond Securities Firm
2549 / 2006	THE ASSET BENCHMARK SURVEY , Best Corporate Bond House (Thailand Baht) TFEX BEST AWARDS , Best House of the Year and Most Active House
2548 / 2005	SET AWARD , MAI Newly Listed STAR (Financial Advisor)

1.2 Significant Development

The Company was found as the name of “The Goldhill Securities Company Limited” on 7th March 1975 with register no. 212/1975 and had three licenses; securities broker, securities dealer, and investment advisory.

In 1986, Thai Farmers Bank Public Company Limited, Finance One Public Company Limited, and a group of major shareholders of Finance One Public Company Limited acquired Goldhill Securities Company Limited and changed its name to “Securities One Company Limited.” on 15th February 1988. 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 2017

April 2017	The Annual General Meeting of Shareholders of the Company No. 1/2017 approved the increase in the maximum amount of Bonds and/or Structured Notes which can be issued by the Company from not more than Baht 1,000 million to not more than Baht 4,000 million.
June 2017	TRIS Rating affirmed the company rating of the Company at “A-”. The rating reflects improvement in the stability of the Company’s business and its diversification efforts. 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.
August 2017	The Company approved the appointment of Ms. Suchada Sodthibhaphkul as the Executive Director of the Company for the fourth year for the period November 2017 - October 2018. 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.
November 2017	The Company apply for ISO/IEC 27001:2013 for BAHTNET System. The ISO/IEC 27001:2013 is an information security management standard (new version year 2013))
January 2018	The Extraordinary General Meeting of Shareholders of the Company No. 1/2018 has approved an increase of the maximum outstanding issue size of all Derivative Warrants (“DWs”) issued by the Company, at any time, from “not exceeding Baht 2,000 million” to “not exceeding Baht 5,000 million”, be approved. Details as follows:

- a) an immediate increase of the maximum outstanding issue size of all DWs" issued by the Company, at any time, from "not exceeding Baht 2,000 million" to "not exceeding Baht 3,000 million"; and
- b) to authorize the Board of Directors to consider and approve, in future, up to the limit of Baht 5,000 million, further increases of the maximum outstanding issue size of all DWs issued by the Company, at any time.

1.3 The Company's Shareholding Structure

(1) Policy for group operations

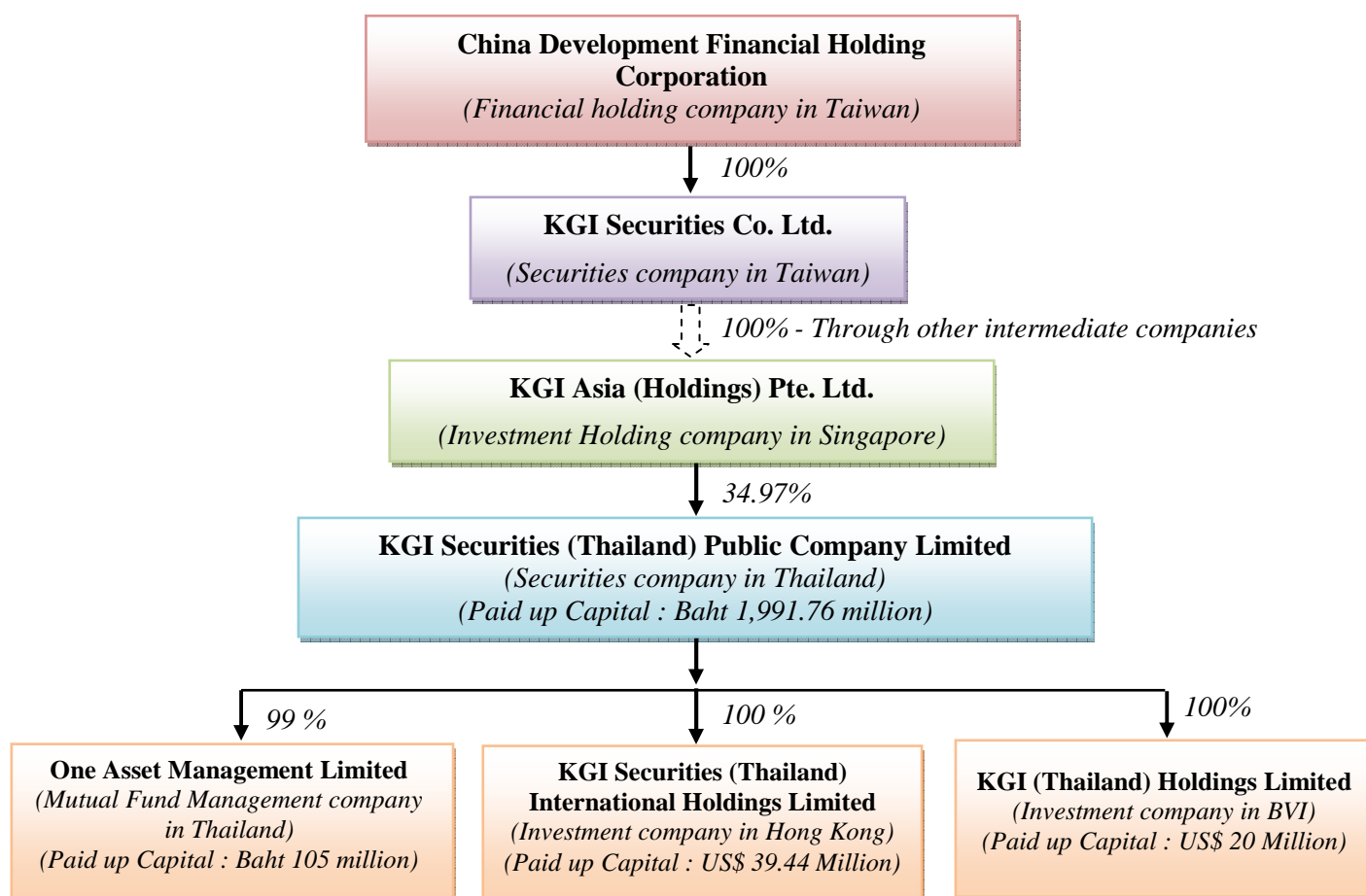
The Company and its subsidiaries have hired professional managers and the Company also appointed persons to be directors for setting policies of its subsidiaries to ensure the implementation of the various group companies effectively.

(2) Shareholding Structure of the Group

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, 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. The shareholding structure of the group are as follows:

Shareholding Structure of KGI Securities (Thailand) Public Company Limited



In 2017, the Company's total revenues of Baht 3,058 million, of which contribution from ONEAM accounted for 18.51%. The information of the Company's subsidiaries are as follows:

Subsidiaries As at 31 st December 2017	Country of Incorporation	Business Type	% holding	Revenues as a percentage to the consolidated totals (%)
One Asset Management Limited ("ONEAM")	Thailand	Fund Management	99	18.51%
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 as limited company on 19th March 1992, with registered capital of Baht 100 million (fully paid-up). As at 31st December 2017, ONEAM has its registered capital of Baht 105 million (fully paid-up) with KGI Securities (Thailand) Public Company Limited holding 99.15%, ONEAM's directors and employees holding 0.85% of outstanding shares. ONEAM's office is located at No. 989, the 9th and 24th floors of Siampiwat Tower Building, Rama I Road, Patumwan Sub-district, Patumwan District, Bangkok 10330, Thailand. (ONEAM registered the changed of its Thai name with Ministry of Commerce, to be "One Asset Management Limited" on 27th April 2017)

ONEAM has been granted licenses to operate the following business:

1. Mutual Fund Management;
2. Private Fund Management;
3. Securities Brokerage, Trading and underwriting : Invesment Units;
4. Investment Advisory Services;
5. Derivative Fund Manager;
6. Trustee of Real Estate Investment Trust ("REIT");
7. Trust Manager of Real Estate Investment Trust ("REIT");

The mutual funds under ONEAM

- | | |
|-----------------------------------|---|
| 1. Equity Fund | 9. Sector Fund |
| 2. Fixed Income Fund | 10. Foreign Investment Fund |
| 3. Mixed Fund | 11. Property Fund |
| 4. Money Market Fund | 12. Country Fund |
| 5. Retirement Mutual Fund ("RMF") | 13. Feeder Fund |
| 6. Long Term Equity Fund ("LTF") | 14. Alternative Fund |
| 7. Fund of Funds | 15. Real Estate Investment Trust ("REIT") |
| 8. Exchange Trade Fund ("ETF") | |

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.

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.

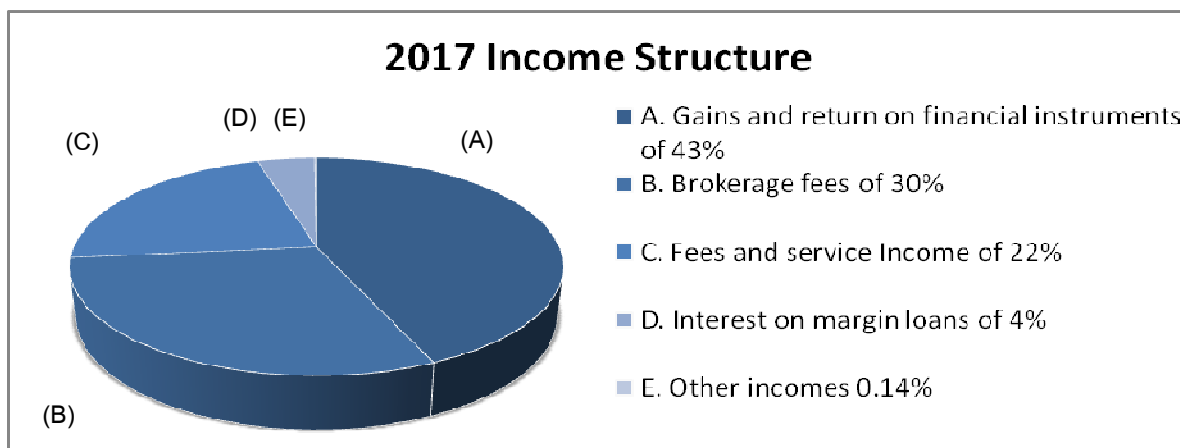
There are 4 representative directors from major shareholder, which is equivalent to 1/3 of all directors and proper with the portion of share holding. The Company also appointed 4 independent directors which is equivalents to one-third of all directors, following the SEC’s regulations to ensure the operations 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. 37 : Segment Information)

In 2017, the Company reported consolidated revenues of Baht 3,058 million, decreased from Baht 3,246 million in 2016, representing a 6 percent decreasing. In 2017, the majority of the Company’s income came from Gains and return on financial instruments of 43%, Brokerage fees of 30%, Fees and service Income of 22%, Interest on margin loans of 4%, the other incomes of 0.14%.



Comparative Revenues Structure for the past 3 years

Revenues Structure	Operated by	% Shareholding Company	2017 (Baht million)	%	2016 (Baht million)	%	2015 (Baht million)	%
1. Brokerage fees	The Company	-	917.04	29.99%	1,045.94	32.22%	906.01	36.50%
2. Fees and service income/1	The Company	-	111.50	3.65%	131.10	4.04%	133.20	5.37%
Fees and service income/1	ONEAM/2	99%	560.70	18.33%	538.35	16.59%	483.68	19.49%
3. Interest on margin loans	The Company	-	136.71	4.47%	99.41	3.06%	100.26	4.04%
4. Gains and return on financial instruments	The Company	-	1,323.32	43.27%	1,419.83	43.74%	833.28	33.57%
Gains and return on financial instruments	ONEAM/2	99%	4.58	0.15%	4.93	0.15%	4.80	0.19%
5. Other incomes	The Company	-	3.56	0.11%	5.81	0.18%	17.83	0.72%
Other incomes	ONEAM/2	99%	0.87	0.03%	0.49	0.02%	2.89	0.12%
Total Revenues			3,058.27	100.00%	3,245.86	100.00%	2,481.95	100.00%

Note /1 See note of financial statements No. 27 : Fees and Service Income.

/2 ONEAM : One Asset Management Limited, 99% 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 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 analysis of Thailand's financial markets and economy. As one of Thailand's top securities houses, the research team gains considerable insight from market flow and local color to help analyze trends and market movements, providing a considerable competitive advantage for investors to make timely and accurate investment decisions. In 2017, the Company ranked No.13 in terms of brokerage market share with an overall share of 3.27%.

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.

In 2016, the Company has developed KGI POWER TRADE web-based version in 2016, which is available on both Window and OS X.

Furthermore, in 2017 the Company has developed "KGI POWER TRADE HD" tablet version, which is available on both Android and IOS (iPad).

KGI POWER TRADE 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 sends 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 real-time odd lot and big lot pricing
- News & Chart: Investment news and real-time technical chart
- Price & Port Alert: Alert message for price and portfolio

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
- 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, and Gold 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 2017, the Company ranked No. 1 in futures trading volume with a market share of 12.12% of the TFEX market. The Company has awards from the Stock Exchange of Thailand (SET) and TFEX as the following:

SET Awards 2017

- Best Derivatives House Award

TFEX Best Awards 2017

- TFEX Most Active House
- TFEX Most Active Agent
- Market Maker Best Performance for equity futures and
- Most Active Prop-Trading of the Year (2nd place)

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.

As at 31st December 2017, the Company's net investments were valued at Baht 8,622 million, an increase of 54% from the previous year, because the Company had increased the size of its trading securities investments due to good market conditions. 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 2017, Thailand's stock index had continued to increase from the end of 2016 at 1,542.94 points to 1,753.71 points at the end of 2017 due to political stability, government spending to invest in mega infrastructure projects, the positive economic figures as well as positive sentiment in global and regional stock markets.

In 2017, there were 46 new listings on the stock exchanges; 22 were listed in the SET and 17 listed in the MAI, 7 were Property Funds and Infrastructure Funds, with total issue size of Baht 106,280 million and Market Capitalization at IPO Price of Baht 426,349 million.

Total Number of all Listed Companies in 2017

Year	Total Number of Listed Companies					Issued Size (Million Baht)	Market Capital at IPO Price (Million Baht)
	SET	MAI	IFF	PFUND/ REIT	Total		
2017	22	17	1	6	46	106,279.61	426,349.09

In 2017, the Company successfully performed lead underwriting and co-underwriting role of debentures. While the Company was appointed as a Financial Advisor and Lead Underwriter of 13 IPOs which are on the preparation process, the Company also acted as co-underwriters of 9 IPOs. Nevertheless, the Company also successfully performed a financial advisory role for fund raising through both debt and equity, for both listed and non-listed companies.

With our group's 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 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 as a bond primary dealer (Outright PD) for both Ministry of Finance and Bank of Thailand.

In 2017, the Company was ranked No. 1 in bond trading among securities dealers and ranked No. 5 in corporate bond trading value among all dealers with a market share of 10.21% in 2017 compared with 12.27% in 2016.

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 2017, 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 at 31st December 2017, 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, KGI Taiwan, provides support in term of knowledge transfer, international experience, and technology to the Company. The Company's 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 for the purpose of risk management and leveraging. The Company provides various types of OTC Equity Derivatives, including basic and exotic options; 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 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 at 31 th Dec 17
1. ThaiDEX SET50 ETF	TDEX	SET50 index	6 th Sep 2007	MM, PD	2,656.24
2. W.I.S.E. KTAM CSI 300 China Tracker	CHINA	W.I.S.E. -CSI 300 China Tracker	22 nd Nov 2010	PD	149.24
3. KTAM Gold ETF Tracker	GLD	SPDR Gold Trust (2840:HK)	8 th Aug 2011	PD	315.99
4. ThaiDEX SET High Dividend ETF	1DIV	SET High Dividend 30 Index	16 th Aug 2011	MM, PD	61.69
5. ThaiDEX SET100 ETF	TH100	SET100 index	21 st Feb 2013	MM, PD	15.71
6. KTAM SET50 ETF Tracker	ESET50	SET50 index	26 th Mar 2014	MM, PD	19.31

2.1.13 Derivative Warrants Business

Derivative Warrants ("DWs"), are financial instruments that 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 2017, the Company launched 297 DWs which received a great response from investors. From 2009 to the end of 2017, the Company has launched a total of 1,350 DWs as detailed below;

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Total DWs issued by the Company	3	21	114	105	121	205	236	248	297	1,350
-CALL Warrant	3	21	87	73	96	163	178	194	250	1,065
-PUT Warrant	-	-	27	32	25	42	58	54	47	285

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 2018, the Company plans to launch around 300 DWs linked to leading stocks, and plans to launch DWs with new underlying securities as approved by regulators.

The Extraordinary General Meeting of Shareholders of the Company No. 1/2018, held on 24th January 2018, has approved an increase of the maximum outstanding issue size of all DWs issued by the

Company, at any time, from “not exceeding Baht 2,000 million” to “not exceeding Baht 5,000 million”. Details as follows:

- a) an immediately approved an increase of the maximum outstanding issue size of all DWs issued by the Company, at any time, from “not exceeding Baht 2,000 million” to “not exceeding Baht 3,000 million”; and
- b) to authorized the Board of Directors to consider and approve, in future, up to the limit of Baht 5,000 million, further increases of the maximum outstanding issue size of all DWs issued by the Company, at any time.

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 is provided through many channels such as www.thaiwarrant.com (both Thai & English version), Facebook (www.facebook.com/ThaiwarrantDW13), 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 DWs issued by the Company for the past 2 years in Attachment 5)

2.1.14 Asset Management Business (One Asset Management Limited: ONEAM)

In 2017, ONEAM's net profits were Baht 129 million (EPS of Baht 12.33) As at 31st December 2017, ONEAM's total assets were Baht 510 million, total liabilities were 99 million, shareholders' equity was Baht 411 million. ONEAM has built a strong reputation with both individual and institutional investors.

In 2017, ONEAM received Best Mutual Fund of the Year 2017 - Equity Large (1AMSET50) from Money & Banking Awards 2017. As at 31st December 2017, ONEAM had total assets under management of Baht 98.51 billion. In 2017, ONEAM issued 8 new funds as follows:

	FUND	Registered date	AUM-Baht Million as at 31 Dec 2017
1	ONE-FIXED	1 February 2017	3,320.51
2	ONE-POWER	27 February 2017	211.92
3	ONE-GUS	14 March 2017	96.41
4	ONE-FIN3Y2	23 May 2017	291.86
5	ONE-APACPROP	13 June 2017	70.46
6	ONE-ENHANCED3M3	28 June 2017	284.25
7	ONE-GLOBHY	15 November 2017	824.43
8	ONE-TOP5M	19 December 2017	200.43
	Total		5,300.27

2.2 MARKET OVERVIEW AND COMPETITION

(A) Significant Marketing Activities

The Company's marketing policy in 2017

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 2017, 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 2017, the Company launched "KGI POWER TRADE HD", a tablet version which the company developed for clients to use on both Android and iOS systems. It incorporates and supports fast trading of both securities and derivatives.
3. The Company joined the exhibition with SET at TFEX Trader Day 2017 on 18th February 2017, SET in the City Bangkok 2017 @ Paragon; Exhibition# 1 during 23rd – 26th March 2017 and Exhibition# 2 during 16th – 19th November 2017 and SET Digital Investment Day during 2nd – 3rd September 2017 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 2017, the Company held the following seminars to educate clients:

January 2017	Topic "Trading Tip for taking profit by KGI Auto Trade"
February 2017	Topic "Market Overview On Q1/2017 and Auto Trade Function "
March 2017	Topic "How to use KGI POWER TRADE"
April 2017	Topic "How to use KGI POWER TRADE"
May 2017	Topic "How to use KGI POWER TRADE"
June 2017	Topic "Thai Market Trend Q3 and How to use KGI POWER TRADE"
August 2017	Topic "Growth Stock and Power Trade "Auto Trade" Function"
September 2017	Topic "Power Trade "Auto Trade Function" And Basic Technical by Aspen"
October 2017	Topic "Power Trade "Auto Trade" Function And Efin Stock Pick Up by Efinance Thai"
November 2017	Topic "Trading Tip for taking profit by KGI Auto Trade"

5. Launched marketing campaign. In 2017, the Company launched the marketing campaign "Trade for What? DW13" giving participants the chance to win 200,000 Baht. The purpose of this campaign was to give clients a better understanding of Derivative Warrant 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 2017, the Company's Trading Volume consisted 10% Local corporate clients, 50% Local retail clients, 1% foreign clients and 39% the Company's portfolio, the Company did not depend 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 2017, the portion of trading via Investment Consultants: trading via internet was 34%: 66%.

Information of the Company's clients in past 3 years

Unit : Baht Millions

Average Daily Trading Volume	2017	%	2016	%	2015	%
Daily Trading Volume- SET*	50,114		52,526		44,302	
Daily Trading Volume- The Company *	4,788		5,360		4,466	
(including the Company's portfolio)						
The Company's market share %	3.27%		3.76%		3.88%	
(excluding the Company's portfolio)						
Ranking	13		10		9	
Breakdown by types of clients						
1) Local corporate clients	462	10	435	8	380	9
2) Local retail clients	2,423	50	3,060	57	2,702	61
3) Foreign clients	43	1	42	1	34	1
Total	2,928	61	3,537	66	3,116	70
4) The Company's portfolio	1,860	39	1,823	34	1,350	30
Total	4,788	100	5,360	100	4,466	100
Breakdown by types of accounts						
1) Cash Account and Cash Balance Account	2,235	76	2,856	81	2,575	83
2) Credit balance account	693	24	681	19	541	17
Total	2,928	100	3,537	100	3,116	100
Breakdown by types of trading order channels						
1) Trading via Investment Consultants	992	34	1,114	31	1,012	32
2) Trading via internet trading	1,936	66	2,423	69	2,104	68
Total	2,928	100	3,537	100	3,116	100

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

(B) Market Overview and Competition in 2017

The Thai stock market posted a strong performance in 2017, extending a solid gain from 2016 and offering double-digit annual gains for two consecutive years. However, the pattern of stock market last year was quite unique. During January to August 2017, the market moved in a tight range and largely under-performed global stock markets. The market began to rally in September 2017, triggered by a clear sign on Thai economic recovery and rising investors' expectation for the new general election in 2018. Those factors led to strong buying from local investors, which drove the market rally despite continued foreign equity outflows during the year 2017.

During the first half of 2017, the benchmark SET Index consolidated in a tight range. Market performance was considered largely lagging other key stock markets in the US and also North Asia, where stocks rallied strongly in response of US macro factors like its GDP acceleration, smooth transition of US monetary policy and possibly most important the market expectation for US tax cut bill. On the Thailand side, economic growth remained subdued in the first half of 2017, while the key economic activities investors put an emphasis on, like the infrastructure projects and new private investment, remained relatively soft.

The SET Index strengthened in the late of August 2017, after Thai GDP for 2Q17 was much stronger than market expectation, growing 3.7% YoY while market expected only 3.0% growth. That was the first sign of economic optimism and market belief that new round of GDP acceleration has started. Apart from the economic news, political news flow turned more positive in the latter half of 2017. Prime Minister General Prayuth Chan-ocha mentioned to the press that he will adhere to political roadmap that the Thai general election will take place in November 2018. His comment eased investors' concern about delayed election and drove more confidence into the local stock market.

The Thai stocks extended their positive momentum into 4Q2017, supported by both external and internal factors. On the external side, global economic indicators on most regions continued to show strong growth, which proved to be positive to Thailand's exports despite ongoing strong baht. Meanwhile, the transition of key central bankers in the US was also smooth and alleviated concerns about any policy

shock. On the internal side, Thai GDP continued to accelerate; 3Q17 GDP, released in November 2017, grew an impressive 4.3% YoY, leading further upgrade in Thai GDP forecasts for both 2017 and 2018. Meanwhile, during mid of November to early of December 2017, the Thai government also launched the consumption stimulus packaged popularly called as 'shopping for Thailand', allowing Thai people to use the spending receipt of up to Baht15,000 per person to deduct the personal income tax.

For the whole 2017, the SET Index extended its strong rally of 13.66% to close the year at 1,753.71pts. The daily average market turnover (both SET and MAI) stood at Baht 50.11 billion, decreasing by 4.6% from Baht 52.53 billion in 2016. Foreign investors reported a moderate net selling position of Baht 25.8 billion in 2017, compared to a foreign net buying of Baht 77.9 billion during 2016. The market capitalization increased to Baht 17.59 trillion at the end of 2017, rising by 16.6% from Baht 15.08 trillion at the end of 2016.

Stock Exchange of Thailand

	2017	2016	2015
Total trading value (Baht million)*	12,227,748	12,816,259	10,765,470
Average daily trading value (Baht million)*	50,114	52,526	44,302
Total market capitalization (Baht million)	17,587,433	15,079,272	12,282,755
SET Index (year-end)	1,753.71	1,542.94	1,288.02
Dividend Yield (%)	2.7	3.0	3.4
P/E ratio (times)	19.1	18.6	22.6
P/BV ratio (times)	2.1	2.0	1.7
No. of listed companies	538	522	517

* including MAI

Regarding the new listings into the stock market, there were 39 new companies listed in Thailand's stock markets (both SET and MAI) in 2017, compared to 23 new listings in 2016. As the stock market conditions in the second half of 2017 were much stronger than first half, IPO flows improved accordingly. As highlighted in the table below, most of the IPOs last year took place after August 2017, when the Thai stock market started its rally phase.

IPO Stocks in 2017 (both SET and MAI): 39 new companies in total

Stock	First trading date	IPO size (Baht million)
SE	14 Feb 17	147.00
ETE	15 Feb 17	588.00
MGT	23 Feb 17	189.00
RPH	27 Feb 17	786.14
ASAP	30 Mar 17	636.30
D	3 Apr 17	300.00
TPIPP	5 Apr 17	17,500.00
WHAUP	10 Apr 17	3,281.25
MM	11 Apr 17	1,107.64
GGC	2 May 17	2,762.67
BGRIM	19 Jul 17	10,428.80
FTE	27 Jul 17	442.50
INGRS	9 Aug 17	347.88
ZIGA	17 Aug 17	472.00
III	1 Sep 17	789.60
PRM	14 Sep 17	4,000.00
ICN	15 Sep 17	220.80
SKN	26 Sep 17	1,470.00
SSP	27 Sep 17	1,773.89
WPH	3 Oct 17	585.00
CRD	5 Oct 17	216.00

Stock	First trading date	IPO size (Baht million)
TOA	10 Oct 17	6,096.00
TFMAMA	18 Oct 17	N/A
FLOYD	1 Nov 17	252.00
TITLE	2 Nov 17	264.00
ADB	9 Nov 17	304.20
RSP	10 Nov 17	1,160.00
SKE	22 Nov 17	426.96
THMUI	23 Nov 17	247.53
PORT	23 Nov 17	540.00
JKN	30 Nov 17	1,120.00
GPI	1 Dec 17	350.00
GULF	6 Dec 17	23,998.50
THG	7 Dec 17	3,230.00
HUMAN	8 Dec 17	720.00
CPT	20 Dec 17	621.00
VCOM	21 Dec 17	230.40
DDD	26 Dec 17	4,028.00
SUN	28 Dec 17	760.50

Source: SET and MAI

Competition among Thai Broker

Competition among Thai brokerage businesses remained intense, similar to the past few years. Although the daily average market turnover stayed high, above Baht 50.0 billion in 2017, the liberalization of commission rates and, more recently, the introduction of computerized trading systems, resulted in high degree of industry competition, from both domestic side and international brokers. Meanwhile, for 2017, the sum of the market share of the top 10 brokers was 48.55%, while the rest 51.45% of the pie were shared by non-top 10 brokers.

Top 10 securities broker of the Year 2017

Rank	Company Name	Name	Market Shares (%)
1	MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED	MBKET	6.83
2	DBS VICKERS SECURITIES (THAILAND) LIMITED	DBSV	6.48
3	CIMB SECURITIES COMPANY LIMITED	CIMBS	5.48
4	FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED	FSS	5.00
5	PHATRA SECURITIES PUBLIC COMPANY LIMITED	PHATRA	4.69
6	BUALUANG SECURITIES PUBLIC COMPANY LIMITED	BLS	4.67
7	SCB SECURITIES PUBLIC COMPANY LIMITED	SCBS	4.10
8	CLSA SECURITIES (THAILAND) LIMITED	CLSA	3.81
9	THANACHART SECURITIES PUBLIC COMPANY LIMITED	TNS	3.78
10	KASIKORN SECURITIES PUBLIC COMPANY LIMITED	KS	3.71
TOP 10 BROKERS			48.55
OTHERS			51.45
Total			100.00

*including MAI

Industry Trend in 2018

After the Thai stock market offered a double-digit price increase per year during the past two years (2016-2017), the market volatility is expected to rise in 2018 as the market valuations look higher. However, we view that major trend of the stock market remains upward, supported by stronger economic conditions, accelerated earnings growth and most importantly strong foreign equity inflows. Meanwhile, competition

in the industry should remain high, as always, shaped by continued liberalization of commission rates and also the coming of computerized trading system.

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, to comply with the SEC notification regarding the conditions and Procedures of the investment for Proprietary Trading. 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 prescribed 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 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 operational procedures in accordance with such changes.

3.1.2 Risk from Dependence on Major Client

In 2017, 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 of 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 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 the 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.

3.1.6 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.

3.1.7 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.

3.1.8 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.

3.1.9 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.

3.1.10 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.

3.1.11 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 Company was the first securities company to launch Derivatives Warrants. The Company has a strict policy to control and monitor associated risk closely. 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.

3.1.12 Risk Associated with Information Technology

Information technology 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.

3.1.13 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.

3.1.14 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 at 31st December 2017, the Company has a Net Liquid Capital of Baht 4,157 million and a Net Capital Ratio of 43% 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 at 31st December 2017, 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 2017, 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 rate which fluctuates in line with the market interest rates or carry fixed interest rate which approximates to the current market interest rate, the Company and its subsidiary companies do not use derivatives to manage their interest rate risk.

3.3 Risk Affecting the Rights of Shareholders**3.3.1 Risk From Having Major Shareholder**

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. 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. As at 6th February 2018, investors had bought 186,573,358 NVDRs shares (equivalent to 9.37% of paid-up capital).

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

As at 10th March 2017, 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 at December 31 st 2017)	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	69,909	Company's asset	None
Furniture and fixtures	4,159	Company's asset	None
Vehicles	-	Company's asset	None
Installation in progress	10,815	Company's asset	None
Total	86,703		

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

Description (As at December 31 st 2017)	Net book value (Thousand Baht)	Ownership	Collateral/obligation
Building improvements	6,518	Subsidiary's asset	None
Equipment	6,978	Subsidiary's asset	None
Furniture and fixtures	1,673	Subsidiary's asset	None
Vehicles	3,162	Subsidiary's asset	None
Installation in progress	2,683	Subsidiary's asset	None
Total	21,014		

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 2017
1. Head office	City Realty Co.,Ltd.	3 years 1 month
2. Hat Yai branch	Lee Gardens Hotel Co., Ltd.	2 years
3. Nakhon Ratchasima branch	K.R.Shopping Center Co.,Ltd.	11 months
4. Samut Sakhon branch	A.T. Asset Co., Ltd.	1 year 6 months
5. Nakhon Sawan branch	Individual	2 years 8 months
6. Pinklao branch	CPN Retail Growth Leasehold Real Estate Investment Trust	1 year 10 months
7. Nakhon Pathom branch	Individual	2 years 6 months
8. Chiang Rai branch	Individual	6 months
9. Phetchaburi branch	Individual	3 years

Rental Property	Lessor	Remaining period of lease as at 31 st December 2017
10. Udon Thani branch	Individual	2 years 3 months
11. Changwattana branch	Na-Nakorn Estate Co.,Ltd.	6 months
12. Thaniya branch	Thaniya Real Estate Co.,Ltd	5 months
13. Silom Complex branch	Silom Building and Service Co., Ltd.	1 year 5 months
14. Pracha Chuen branch	Individual	8 months
15. Udon Thani Cyber branch	Fairy Bridge Holdings Co., Ltd.	4 months
16. Chiang Mai	EAK999 Co.,Ltd.	2 years 2 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 2017
Head office	Siam Piwat Co.,Ltd.	1 year 11 months

4.3 Intangible Assets and Goodwill

As at 31st December 2017, the Company's intangible assets were Baht 73 million (comprising computer software which has useful lives for 5 and 7 years of Baht 58 million and Computer software under development of Baht 15 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 at 31st December 2017, the Company's investment in subsidiary companies was Baht 2,602 million. (See details of investments in subsidiaries in Note to Financial Statements no.12)

5. Legal Cases

As at 31st December 2017, the Company and its subsidiaries had no litigation as follows:

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

6. General information and Other relevant information

6.1 General information

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

Business Type	Securities businesses
Head office address	No.173 Asia Centre Building, 8 th - 11 th Floor, South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Thailand
Company's PCL registration number	No. 0107536000293
Telephone number	66 (0) 2658 8888
Fax number	66 (0) 2658 8000
Website	www.kgiworld.co.th and www.thaiwarrant.com
Paid up capital	Baht 1,991,763,130
No. of paid-up shares	1,991,763,130 ordinary shares
Par Value	Baht 1.00 per share
	<u>Investor Relation</u>
	- Institutional Investors
	Mr. Mark Antony Hodge
	Senior Vice President, COO Office
	Email: markh@kgi.co.th
	Tel: 0 2658 8885
	- Retail Investors
	Ms. Nongluk Ningsanond
	Company Secretary
	Email: nonglukn@kgi.co.th
	Tel: 0 2658 8880-1

(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, the 9 th and 24 th floors of Siampiwat Tower Building, Rama I Road, Patumwan Sub-district, Patumwan 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

<u>Auditor</u>	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd
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 June 2017, TRIS Rating affirms the company rating of the Company at “A-”. The rating reflects improvement in the stability of the Company’s business and its diversification efforts. 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. (See credit rating report by TRIS at www.kgiworld.co.th)

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	23 rd June 2017	A-	Stable
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

- Objective of DW Issuing
To provide new investment products to investors and to diversify the Company's income
- 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 5).

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

- (1) Registered capital: Baht 1,991,763,130
Paid Up capital: Baht 1,991,763,130
Number of share: 1,991,763,130 shares with par value of Baht 1.00 per share
The listed stock: Stock Exchange of Thailand
Securities Symbol: “KGI”

- (2) Other types of shares that are different from ordinary shares: - None -

7.2 The Company’s shareholders

Major Shareholders

The Company’s major shareholder is KGI Asia (Holdings) Pte. Ltd., which holds shares 34.97% of total issued shares. The Company’s top ten shareholders are as follows:

	List of Shareholders (as at 4 th January 2018)	No. of share	%
1.	KGI Asia (Holdings) Pte. Ltd. ^{1/}	696,614,400	34.97%
2.	Thai NVDR Company Limited	187,378,612	9.41%
3.	Dhipaya Insurance Public Company Limited	35,496,900	1.78%
4.	Mrs. Kanchana Jiampittayanuwat	18,000,000	0.90%
5.	Mrs. Benja Nantapichetkul	14,360,500	0.72%
6.	Mr. Jakhorn chantaroj	14,000,000	0.70%
7.	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	13,102,175	0.66%
8.	N.C.B.TRUST LIMITED-POHJOLA BANK PLC CLIENT A/C EUR	13,000,000	0.65%
9.	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	12,461,800	0.63%
10.	EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	10,760,800	0.54%
	Others	976,587,943	49.03%
	Total /2	1,991,763,130	100.00%

Note

- 1/ 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. (See Shareholding Structure of the group, page 11)
- 2/ As at 4th January 2018, 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 37-38)

7.3 Other Issue of Securities

As at 31st December 2017, the Company and its subsidiaries has not issued any Convertible Securities but has Debt issued and borrowings of Baht 2,383 million which consisted of Bill of Exchange (remaining periods to maturity within 1 year) of Baht 2,176 million and Structure Notes (remaining periods to maturity within 1 year) of Baht 207 million. (See Notes of financial statements No. 20 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 2017, the Company had separate financial statements profits of Baht 887 million and consolidated financial statements earnings per share of Baht 0.445. 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 2017 operating results of Baht 0.32 per share which is in-line with the Company's dividend policy. The proposed dividend is equivalent to a payout ratio of 72% of separate financial statements profits and amounts to approximately Baht 637 million. The proposed dividend will be paid on 9th May 2018 after obtaining approval from the Annual General Shareholders Meeting No. 1/2018.

5-Year dividend payment history (Y2012 – Y 2016) and current year dividend payment (Y2017)

Separate financial statements ^{/1}	Y2017	Y2016	Y2015	Y2014	Y2013	Y2012
Basic earnings per share (Baht per share)	0.445	0.489	0.288	0.368	0.363	0.232
Dividend per share (Baht per share)	0.320	0.380	0.285	0.365	0.360	0.230
Dividend pay-out ratio (%) (Dividend per share /Basic earning per share of separate financial statements)						
-separate financial statements (Equity Method)	72%	-	-	-	-	-
-separate financial statements (Cost method)	77% ^{/2}	78%	99%	99%	99%	99%

Note:

1/ The Company has elected to change accounting policy relating to investments in subsidiaries in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards. (See details in Note to Financial Statements no.3)

- Year 2017: The separate financial statements presented investments in subsidiaries under equity method.
- Year 2012 - 2016: The separate financial statements presented investments in subsidiaries under cost method.

2/ Presented as comparative information

The Subsidiary's dividend policy (Subsidiary dividend is pad 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

As at 31st December 2017, the Company's Board of Directors consisted of 12 directors. The Board structure was adequately audited and balanced. The Company has 4 independent directors (one third of the total directors). The Company's Audit Committee consists of three independent directors who have the knowledge and experience to review the reliability of the financial statements. As well, the Company has a clear authorized between the Board of Directors and management to better manage the Company. (As details in the topic of Corporate Governance)

This is to ensure that the Board is able to effectively monitor the Company's operations. The Company has policy to have board meeting not less than 6 meetings a year. In the year 2017, the Board of Directors held 7 meetings. The names of the positions and the attendance records of each director was as follows:

Name	Position in the Company	Portion of shares held in the Company (Direct and Indirect) (%)	Board meeting in 2017		
			Total meeting	Attendance Record	Reason for absence
1. Mr. Foong Hock Meng	-Chairman	0.00%	7	5	Urgent meeting abroad
2. Dr. Pisit Leeahtam	-Vice Chairman -Independent Director ^{/1} -Audit Committee Chairman ^{/1} -Nomination Committee Chairman	0.00%	7	7	-
3. Dr. Don Bhasavanich	-Independent Director ^{/1} -Audit Committee ^{/1}	0.00%	7	5	Urgent meeting abroad
4. Mr. Pradit Sawattananond	-Independent Director ^{/1} -Audit Committee ^{/1} -Compensation Committee -Nomination Committee -ESOP Committee	0.00%	7	7	-
5. Mr. Picharn Kullavanijaya	-Independent Director ^{/1}	0.00%	7	7 (including 2 attendances by phone)	Urgent meeting abroad
6. Mr. Chih – Hung Lin	-Chief Operating Officer -Authorized Director ^{/2} -Risk Management Committee Chairman -Debt Recovery Committee Chairman -Human Resource Committee Chairman -ESOP Committee Chairman	0.00%	7	7	-
7. Ms. Bee Leng Ooi	- Managing Director -Authorized Director ^{/2} -Nomination Committee -Risk Management Committee -Human Resource Committee -ESOP Committee	0.001%	7	4	Urgent meeting abroad

Name	Position in the Company	Portion of shares held in the Company (Direct and Indirect) (%)	Board meeting in 2017		
			Total meeting	Attendance Record	Reason for absence
8. Ms. Suchada Sodthibhaphkul ³	-Authorized Director ² -Risk Management Committee -Debt Recovery Committee -Human Resource Committee	0.00%	7	7	-
9. Mr. Wisit Wongpaisan	-Director -Nomination Committee -Risk Management Committee	0.00%	7	7	-
10. Ms. Pi-Lin Huang	-Director	0.00%	7	6	Urgent meeting abroad
11. Mr. Yen, Chih-Chien	-Director -Compensation Committee Chairman	0.00%	7	6	Urgent meeting abroad
12. Mr. Shaw – Tzeng Ding	-Director	0.00%	7	6	Urgent meeting abroad
Total		0.001%			

Note:

1/ All independent directors and audit committees have fully qualification required by SEC and SET.

2/ Any two of these directors jointly signing will bind the Company.

3/ The Company approved the appointment of Ms. Suchada Sodthibhaphkul, Authorized Director, as the Executive Director of the Company for the forth year for the period November 2017 - October 2018. (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)

8.2 Management

As at 31st December 2017, the Company's Management consisted of the following 26 members:

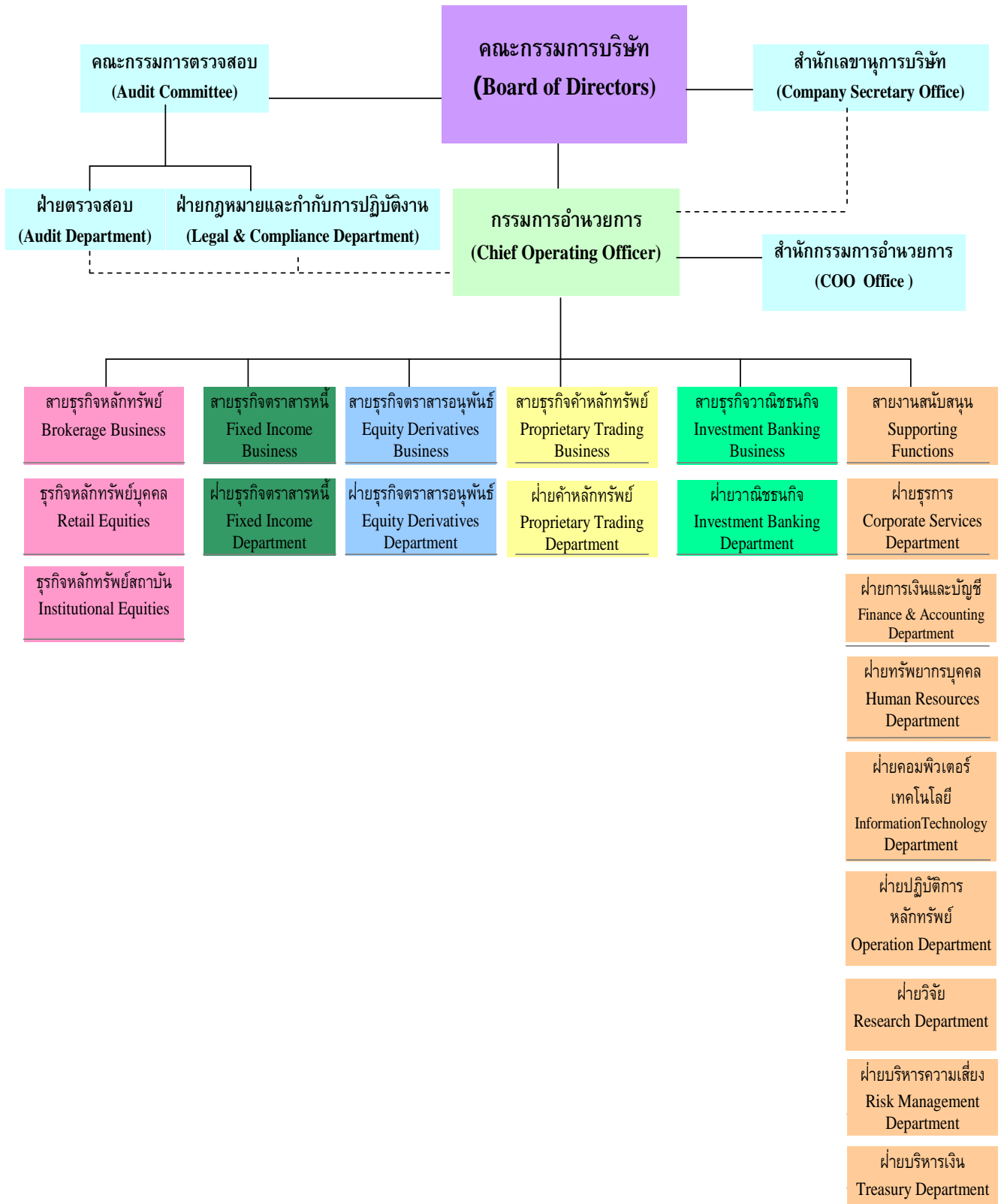
Name	Title	Position of shares held in Company (Direct and Indirect) (%)
1. Mr. Chih - Hung Lin	Chief Operating Officer	0.00%
2. Ms. Bee Leng Ooi	Managing Director	0.001%
3. Mr. Somchai Kanjanapetcharat	Senior Managing Director, Retail Equity Business	0.00%
4. Mr. Suthep Rungsiam	Managing Director, Brokerage Business	0.00%
5. Ms. Jariya Posayajinda	Managing Director, Proprietary Trading Department	0.00%
6. Mr. Apichart Tungkiatsilp	Managing Director, Fixed Income Department	0.00%
7. Ms. Patchpon Sankaburanuruk	Managing Director, Investment Banking Department	0.00%
8. Mr. Jenvit Chinkulkitniwat	Managing Director, Equity Derivatives Department	0.00%
9. Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department	0.00%
10. Mr. Somchai Siripaiboolpong	Executive Vice President, Retail Equity Business	0.00%

Name	Title	Position of shares held in Company (Direct and Indirect) (%)
11. Ms. Songsri Chawengsataporn	Executive Vice President, Retail Equity Business	0.00%
12. Ms. Dutsanee Pamontip	Executive Vice President, Retail Equity Business	0.00%
13. Ms. Warunlak Aiemmeechai	Executive Vice President, Retail Equity Business	0.00%
14. Mr .Kamthorn Chinsakuljaroen	Executive Vice President, Retail Equity Business	0.00%
15. Mr. Viwat Charoenthangvitaya	Executive Vice President, Retail Equity Business	0.00%
16. Mr. Hua - Feng Chang	Executive Vice President, Retail Equity Business	0.00%
17. Ms. Kannikar Pradiskesorn	Executive Vice President, Institutional Equity Business	0.00%
18. Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department	0.00%
19. Ms. Inchaya Chatcherdskak	Executive Vice President, Human Resources Department	0.00%
20. Ms. Acharee Turongsomboon	Executive Vice President, Treasury Department	0.003%
21. Mr. Sumek Chantrasuriyarat	Executive Vice President, Research Department	0.00%
22. Ms. Nantararat Surakkhaka	Executive Vice President, COO Office Support Department	0.00%
23. Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office	0.00%
24. Ms. Suchada Wongrak	Senior Vice President, Corporate Services Department	0.00%
25. Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department	0.00%
26. Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department	0.00%
Total shares held in the Company		0.004%

Note:

- No. 1- 8 and 18 were the Company's management as defined in the SEC's notification (the top four ranking officers starting from the Chief Operating Officer, which includes the Chief Operating Officer, Managing Directors and Head of Finance & Accounting Department)
- No. 9 - 17 and 19 - 26 were the Company's Management outside the definition in the SEC's notification (including officers of the rank of Senior Executive Vice President, Executive Vice President and Senior Vice President who are department heads as per the Company's organization chart)

Organization Chart



8.3 Company Secretary

The Board of Directors approved the appointment of Ms. Nongluk Ningsanond, as the Company Secretary on 6th November 2012. The Company Secretary has been trained in a certified program, the Company Secretary Program 5/2004, Effective Minutes Taking Program 10/2008, and Corporate Governance for Capital Market Intermediaries Class 1/2014 from the Thai Institute of Directors Association (see the Company's secretary information in Attachment 1).

Responsibilities of Company Secretary

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 2017, the Company paid monetary compensation for 11 directors, representing a total of Baht 29.20 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 2017 (Million Baht)			
		Board	Audit Committee	Travelling and Accommodation	Total
1. Mr. Foong Hock Meng	Chairman	4.74	-	-	4.74
2. Dr. Pisit Leeahtam/1	Vice Chairman and Independent Director	4.74	0.20	-	4.94
3. Dr. Don Bhasavanich/1	Independent Director	2.30	0.15	-	2.45
4. Mr. Pradit Sawattananond/1	Independent Director	2.34	0.15	-	2.49
5. Mr. Picharn Kullavanijaya/1	Independent Director	2.30	-	0.88	3.18
6. Mr. Chih- Hung Lin/2	Director	0.75	-	-	0.75
7. Ms. Bee Leng Ooi	Director	-	-	-	-
8. Ms. Suchada Sodthibhaphkul /3	Director	2.10	-	-	2.10
9. Mr. Wisit Wongpaisan	Director	4.38	-	-	4.38
10. Ms. Pi-Lin Huang	Director	1.96	-	-	1.96
11. Mr. Yen, Chih-Chien	Director	1.96	-	-	1.96
12. Mr. Shaw - Tzeng Ding	Director	0.25	-	-	0.25
Total		27.82	0.50	0.88	29.20

Note:

- 1/ The Company's independent directors were not independent directors of its subsidiaries.
- 2/ Mr. Chih - Hung Lin received proportional director remuneration of year 2016 which was paid in 2017 since he was appointed as the COO on 18th May 2016.
- 3/ The Company also paid Monetary Compensation to Ms. Suchada Sodthibhaphkul as the Executive Director, details in 8.4.1 (C)

B) Monetary Compensation of Management

In 2017, the Company paid compensation including salary and bonus to 26 management staff including department heads as per its organization chart amounting to Baht 187.58 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. 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. In 2017, the Company paid compensation to Ms. Suchada Sodthibhaphkul, as the executive director of the Company, amounting to Baht 4.38 million.

8.4.2 Other Compensation

A) Other Compensation of Directors

In 2017, the Company paid golf membership, car rental, gasoline, driver, mobile phone expenses for directors, amounting to Baht 4.33 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 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 2017, the Company paid contributions to the provident funds of 26 management staff including department heads as per its organization chart amounting to Baht 4.20 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 2017, the Company paid health welfare to 26 management who was department head as per its organization chart amounting to Baht 1.07 million.

- Others

In 2016, the Company paid car rental, gasoline, driver, mobile phone expenses to 26 management staff including department heads as per its organization chart amounting to Baht 10.81 million.

8.5 Employees

As at 31st December 2017, the Company had a total of 548 employees. Total compensation paid to all employees in 2017 was Baht 780.85 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 149 employees and also paid compensation of Baht 204.28 million to its employees. The Company and its subsidiary have no significant labor disputes in the last 3 years.

Total employees and compensation

Year 2017	Company	ONEAM^{/2}	HOLDCO^{/3}	KTHL^{/4}
Management (person) ^{/1}	26	18	-	-
Total Business Unit employee (person)	362	62	-	-
Risk Management Department employee (person)	4	3	-	-
Audit Department employee (person)	6	3	-	-
Legal & Compliance Department employee (person)	7	2	-	-
Other supporting employee (person)	143	61	-	-
Total (person)	548	149	-	-
Number of employee in Head Office (person)	417	149	-	-
Total compensation of employee (Baht million)	780.85	204.28	-	-

Note

/1 The Company's Management as per the Company's organization chart

/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 2017, the Company arranged a total of 28 internal training courses and encouraged employees to attend a total of 106 external training courses. Total 2,009 employees attended the training courses. On average, each employee attended 15.47 hours of training in 2017.

Training record of the employees	Year 2017	Year 2016	Year 2015
internal training courses	28 courses	14 courses	23 courses
external training courses	106 courses	95 courses	107 courses
employees attended the training courses	2,009 persons	1,299 persons	1,380 persons
Average training hour of each employees	15.47 hours/year	11.88 hours/year	10.66 hours/year

The Company also 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 2017

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 (532)	0	0	0	6	45	51
February (538)	0	0	0	1	42	43
March (545)	0	0	0	0	46	46
April (543)	0	0	0	1	36	37
May (538)	0	0	0	0	49	49
June (534)	0	0	0	4	47	51
July (539)	0	0	0	2	39	41
August (538)	0	0	0	1	52	53
September (543)	0	0	0	0	42	42
October (544)	0	0	0	0	51	51
November (548)	0	0	0	2	64	66
December (548)	0	0	0	1	55	56
Total	0	0	0	18	568	586
Average (540)	0	0	0	0.03%	1.05%	1.08%

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 (See the Corporate Governance Policies in the Company's website at www.kgiworld.co.th) 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

The Board of Directors' meeting no. 6/2017, held on 6th December 2017, acknowledged the "Corporate Governance Code for listed companies 2017" and the Board has considered and approved the application of the CG Code by means that are suitable for the Company's business. (The CG Code 2017 will be applied from 2018). The Board has, on an informed basis, reviewed the application of the CG Code's Principles at least annually. The Corporate Governance Code 2017 principles are as follows:

Principle 1 Establish Clear Leadership Role and Responsibilities of the board

Principle 2 Define Objectives that Promote Sustainable Value Creation

Principle 3 Strengthen Board Effectiveness

Principle 4 Ensure Effective Chief Operating Officer and People Management

Principle 5 Nurture Innovation and Responsible Business

Principle 6 Strengthen Effective Risk Management and Internet Control

Principle 7 Ensure Disclosure and Financial Integrity

Principle 8 Ensure Engagement and Communication with Shareholders

9.2 Committees

The Company clearly determines the roles and responsibilities of the Board of Directors, the Chairman of the Board and the Chief Operating Officer. There is a clear separation of duties between the Board and the management.

Board Structure

1. The Board composition gives it the diversified skills, experience, abilities and characteristics that are necessary to achieve the objectives and goals of the Company, and ensures that the overall board understands and is qualified to meet the needs of the stakeholders.
2. The Board considers the number of directors to be appropriate and sufficient to perform its duties effectively. The Company's Articles of Association stipulate that the Company must have a minimum of 5 directors and not more than 15 directors. Currently, the Company has a total of 12 directors in accordance with good corporate governance.
3. There is at least one non-executive director who has experience in the securities business.
4. The Board of Directors has a proportion of Executive Directors and Non-Executive Directors which produces an appropriate balance of power. Most of the directors are non-executive directors who can freely comment on the work of the management.
5. One-third of all directors (4 persons) are Independent Directors who are qualified in accordance with the rules and regulations of the SEC and SET. The Board also ensures that Independent Directors can effectively work with all committees and freely express their opinions.

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.

Position of Board's Chairman and Chief Operating Officer

The Board of Directors separates the position of Chairman of the Board from the position of Chief Operating Officer. These positions are held by two different people. The Company clearly define the roles and responsibilities of the Board's Chairman and roles and responsibilities of Chief Operating Officer, to ensure that no one person has unlimited power.

Roles and responsibilities of the Board's Chairman

The chairman is responsible for leading the board. The chairman's duties cover the following matters:

1. Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives.
2. Ensure that all directors contribute to the company's ethical culture and good corporate governance.
3. To be the chairman of the Board meetings, in case of equality of votes at the Board of Director meetings, the Chairman shall have a casting vote.
4. Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgment in the best interest of the Company.
5. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

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.

Powers of the Board

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 payment or non-payment of dividend to the shareholders of the Company. And to propose to the shareholders for approval;
3. To approve the quarterly, half yearly, yearly financial statements, and proposes yearly financial statements and propose to the shareholders for approval;
4. To approve the re-election of Directors who retire by rotation and the Directors' remuneration and propose to the shareholders for approval;
5. 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);
6. To approve the appointment of Chief Operating Officer to manage the Company's business under the control of the Board of Directors;
7. To approve the appointment of the auditors and the auditing fee and propose to the shareholders for approval;
8. To approve the appointment and removal of the Company Secretary;
9. 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;
10. 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;
11. To approve the establishment or liquidation of a Subsidiary;
12. To approve the acquisition and disposition of assets and the connected transaction of the Company according to the Securities and Exchange Commission Act.

Authority of the Board and Management

To make the Company more manageable, the Board of Directors' meeting has delegated to the Company's management the power to approve the following matters:

1. To approve the Company's expenses

The Company's expenses must be reasonable and necessary for the Company's business. The approval must be as follows:

Authorized person

Branch Manager or Sales Division Head
Sale Supervisor
Department Head
Head of Finance & Accounting

Authority to approve operating expenses (Baht)

Not exceeding Baht 5,000
Not exceeding Baht 30,000
Not exceeding Baht 30,000
Not exceeding Baht 120,000

<u>Authorized person</u>	<u>Authority to approve operating expenses (Baht)</u>
Head of Brokerage	Not exceeding Baht 200,000
Chief Operating Officer or Authorized Director	Not exceeding Baht 6,000,000
Chairman of the Board	Not exceeding Baht 10,000,000
The Board of Director	More than Baht 10,000,000

2. To approve the Company's capital expenditure

The Company's capital expenditures must be appropriately approved. The approval must be as follows:

<u>Authorized person</u>	<u>Authority to approve capital expenditure (Baht)</u>
Head of Finance & Accounting	Not exceeding Baht 2,000,000
Chief Operating Officer or Authorized Director	Not exceeding Baht 6,000,000
Chairman of the Board	Not exceeding Baht 10,000,000
The Board of Directors	More than Baht 10,000,000

Note:

The capital expenditure means:

- Transaction on furniture, equipment, real estate including buying, selling, renting, construction, improvement, consolidation, and / or land improvements of tenants, buildings or areas.
- Transaction on technology includes the purchase, sale or rental of equipment, such as computers, software, software licenses and new systems.

The Committees

The Board sets up committees to assist the Board to perform the Board's duties to ensure the effective functioning of the Board and the Board also determines the membership of the committees and their duties and responsibilities. The Company's Board structure has 12 committees, which are;

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

1. Audit Committee

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	Attendance / Total meetings
1.	Dr. Pisit Leeahtam	Chairman of Audit Committee / Independent Director	6/6
2.	Dr. Don Bhasavanich	Audit Committee / Independent Director	6/6
3.	Mr. Pradit Sawattananond	Audit Committee / Independent Director	6/6

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 effective, to determine the internal audit department's independence, and to approve the appointment, transfer and/or dismissal of the head of the internal audit department or any other unit responsible for internal audit.
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 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 review the Company's compliance with private sector's anti-corruption and certification programmes, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.
8. 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:
 - 8.1 an opinion on the accuracy, completeness and creditability of the Company's financial statements,
 - 8.2 an opinion on the adequacy of the Company's internal control systems,
 - 8.3 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,
 - 8.4 an opinion on the suitability of the auditor,
 - 8.5 an opinion on any transactions that may involve conflicts of interests,
 - 8.6 the number of the audit committee meetings, and the attendance at such meetings by each committee member,
 - 8.7 an opinion or overview comment by the audit committee regarding the performance of its duties in accordance with the charter,
 - 8.8 any other transactions which, in the audit committee's opinion, should be disclosed to the Company's shareholders and general investors.
9. 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:
 - a transaction which causes a conflict of interest,
 - any fraud, irregularity, or material defect in an internal control system,
 - 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 the Office of the Securities and Exchange Commission or the Exchange.
10. If the auditor becomes suspects that a director, manager, or any person responsible for the Company's operations has violated any relevant securities law, they should report the evidence relating to such event to the audit committee for investigation immediately. The audit committee will report the results of its preliminary investigation to the Office of the Securities and Exchange Commission and to the auditor within 30 days. Notification of the suspicious events and procedures for investigating such shall comply with the notification of the Capital Market Supervisory Board.
11. To perform any other act as assigned by the Board of Directors and accepted by Audit Committee.

2. Compensation Committee

The Compensation Committee members and their attendance records are as follows:

No.	Name	Position	Attendance / Total meetings
1.	Mr. Yen, Chih-Chien	Compensation Committee Chairman	3/3
2.	Mr. Pradit Sawattananond	Compensation Committee Member / Independent Director	3/3
3.	Ms. Yuan - Chen Chiu	Compensation Committee Member	3/3 (By phone)

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.

3. Nomination Committee

The Nomination Committee members and their attendance records are as follows:

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

Scope of duties and responsibilities of the Nomination Committee

1. Select qualified persons to be senior executives of the Company, and propose them to the Board of Directors for consideration.
2. Recruiting and nominating qualified persons to be directors of the Company. The Committee should ensure that the board structure is diversified in terms of skills, experience, abilities and characteristics that are necessary to achieve the objectives and goals of the Company, and ensure that the overall board is qualified and can understand and meet the needs of stakeholders.
3. Consider the history of any nominated persons and propose them to the Board before being proposed to a shareholders' meeting for appointment as a director. The Committee should ensure that shareholders receive sufficient information about a nominated person to make an informed decision.
4. The nomination committee must first consider the performance of a director if that director retires by rotation and is to be proposed for re-election.

4. Risk Management Committee

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

No.	Name	Position
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, COO Office Support Department
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

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 set stock concentration limits and to review them on a regular basis;
3. To consider and approve any issue related to Credit Balance and Stock Borrowing and Lending;
4. To consider and approve the refinancing of Credit Balance clients;
5. To consider and approve company's Turnover List.

B) Trading Businesses Risk Sub-Committee

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

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) ISMS Management Committee

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. Saranya Larksukthom	Senior Executive Vice President, Operation Department
5.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
6.	Ms. Nantararat Surakkhaka	Executive Vice President , COO Office Support Department
7.	Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department
8.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department
9.	Ms. Patchanee Sinwattanacharoen	Senior Vice President, Legal & Compliance Department
10.	Mr. Chi - Chih Huang	Assistant Vice President, Information Technology Department

Scope of duties and responsibilities of ISMS Management Committee

1. To consider and approve matters that may impact the Company's information technology system;
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;
4. To guide and advise on the implementation of Information Security Management System;

5. To define policy of Information Security Management System (ISMS Policy);
6. To consider the Information Security Risk Assessment Methodology;
7. To establish acceptable risk levels in the risk management process for Information Security Management System (ISMS Information Security);
8. To consider and approve the implementation of Information Security Controls;
9. To support and keep track of progress to make the operation more efficient.

5. Debt Recovery Committee

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.

6. Purchasing Committee

No.	Name	Position
1.	Ms. Saranya Larksukthom	Senior Executive Vice President , Operation Department
2.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office
3.	Ms. Nantararat Surakkhaka	Executive Vice President , COO Office Support Department
4.	Ms. Inchaya Chatchersak	Executive Vice President, Human Resources Department

Scope of duties and responsibilities of Purchasing Committee

1. 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:
 - 1.1 Comparing prices, quality of products, and service;
 - 1.2 Selecting lists of suppliers and vendors of products or services to have variety;
2. To recommend negotiations with suppliers or vendors;
3. To select and approve the suppliers and vendors of products or services appropriate for and in the best interest of the Company.

7. Human Resource Committee

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 Chatchersak	Executive Vice President, Human Resources Department

Scope of duties and responsibilities of the Human Resource Committee

1. To review and approve HR related policies; and
2. To review and approve promotions.

8. Disciplinary Committee

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

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

9. Welfare Committee

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.

10. Health and Environment Committee

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	Senior Vice President, Legal & Compliance Department
5.	Ms. Sirirat Chimkaew	Assistant Vice President, Corporate Services Department
6.	Ms. Petcharat Ongartpajon	Deputy Manager, Research Department
7.	Ms. Pimploey Kankaew	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.

11. ESOP Committee

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 Chatchersak	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.

12. Corporate Governance Committee

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 at Board of Director meetings and other committee meetings in 2017

No.	Board of Directors	Attendance record in other committee in 2017							
		Audit Committee (total 6 times)	Compensation Committee (total 3 times)	Nomination Committee (total 1 times)	Risk Management Committee (total 21 times)	Debt Recovery Committee (total 3 time)	Human Resource Committee (total 2 time)	ESOP Committee (No meeting)	Shareholder Meeting (1 meeting)
1.	Mr. Foong Hock Meng	-	-	-	-	-	-	-	1/1
2.	Dr. Pisit Leeahtam	6/6	-	1/1	-	-	-	-	1/1
3.	Dr. Don Bhasavanich	6/6	-	-	-	-	-	-	1/1
4.	Mr. Pradit Sawattananond	6/6	3/3	1/1	-	-	-	0/0	1/1
5.	Mr. Picharn Kullavanijaya	-	-	-	-	-	-	-	1/1
6.	Mr. Chih - Hung Lin	-	-	-	21/21	3/3	2/2	0/0	1/1
7.	Ms. Bee Leng Ooi	-	-	1/1	15/21	-	2/2	0/0	0/1
8.	Ms. Suchada Sodthibhaphkul	-	-	-	21/21	3/3	2/2	-	1/1
9.	Mr. Wisit Wongpaisan	-	-	1/1	19/21	-	-	-	1/1
10.	Ms. Pi-Lin Huang	-	-	-	-	-	-	-	1/1
11.	Mr. Yen, Chih-Chien	-	3/3	-	-	-	-	-	1/1
12.	Mr. Shaw - Tzeng Ding	-	-	-	-	-	-	-	1/1

9.3 Nomination of Directors and Top management.

(1) Independent Director

Process of Nominating of Director and Independent Director

1. To consider the appointment of directors and independent directors both new directors and re-election of retired directors. The Nomination Committee will select qualified candidates and proposed to the Board of Directors for consideration.
2. The Board of Directors will consider and approve the appointment of suitable persons as directors of the Company by considering the appropriateness and benefits of the Company's operations.
3. The Company is a securities company under the supervision of the SEC, the appointment shall be approved by the SEC.

Guidelines for nomination of new directors

Based on the following criteria;

1. Has full qualifications as prescribed in the Public Limited Companies Act, Securities Act including good corporate governance of listed companies. For Independent Directors The qualifications of an independent director must be in full compliance with the SEC's requirements.
2. Being qualified, knowledgeable and experienced in various fields that are beneficial to the Company.
3. The necessity for the composition of the Board structure. Consider skill Matrix, in finance, law, accounting, economics and management. To combine the knowledge and ability to benefit the operation of the Company.
4. The conflicts of interest with the Company.

Guidelines for the nomination for re-election of directors retiring by rotation.

Nomination is based on the following criteria;

1. Performance in the past year
2. The suggestions or opinions of director in the past year
3. Whether the director is knowledgeable, capable, dedicated, and of suitable age and has the ability to perform a director's duties with care and loyalty.
4. For Independent Directors, the Company will consider whether such independent director can express opinion independently and in accordance with the relevant criteria before the appointment of the 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 2017, 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.

Number of Representative Directors from Major Shareholder

KGI Asia (Holdings) Pte. Ltd. is the 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 Nomination Committee at the address below. The Nomination Committee will propose to the Board of Director for further consideration.

Submit documents

Nomination Committee

KGI Securities (Thailand) Public Company Limited

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

Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Thailand

(2) Nomination of top management (Chief Operating Officer)

Procedures for the selection of a Chief Operating Officer

1. In considering the nomination of top management, the Nomination Committee will select qualified candidates and propose them to the Board of Directors for its consideration.
2. The Board of Directors will consider and approve the appointment of suitable persons as the Company's Chief Operating Officer by considering their appropriateness and benefits they can bring to the Company's operations.
3. The Company is a securities company, which is under the supervision of the SEC. The top management of the Company must be approved by the SEC.

Guidelines for nomination of a Chief Operating Officer.

Based on the following criteria.

1. The nominated candidate must meet the qualifications stated in the Public Company Act, Securities and Exchange Act and the Good Corporate Governance policy of the Company.
2. The candidate must be knowledgeable, capable, and able to perform the COO's duties with care and loyalty.
3. They should have knowledge of the securities industry, accounting & finance, business management, business strategy, corporate governance, legal and other relevant knowledge or experience.

9.4 Supervision of Business Operation in Subsidiaries Company

Mechanisms 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.

9.5 Prevention of the Misuse of Inside Information

The Board of Directors has set up a strict policy to prevent the misuse of inside information, as follows:

Policy to report on the Company's securities trading / Company's securities holding

1. Company's directors and executives or related person of them (spouse and minor child) who acknowledge the inside information 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 directors and executives the policies and procedures to have them implemented and followed up constantly.

Report on Interest of Directors and Executives

1. Section 88 of the Public Limited Company Act B.E. 2535 stipulates that a director shall notify the company without delay in the following cases:
 - having a direct or indirect interest in any contract which is made by the Company during an accounting year, and shall indicate the nature of the contract, names of the contracting party and interest of the director in the contract (if any);
 - holding shares or debentures of the Company or an affiliated company, and shall indicate the total number of shares increasing or decreasing during an accounting year (if any).
2. The directors and executives are required to file with the Company a report on their conflict of interest or a related person's conflict of interest in relation to operation of the Company or its subsidiary by filling out the Form for Reporting on Interest of the Director and Executive as follows:
 - Report any change in information regarding the interest within 7 (seven) working days starting from year ended and from the date of the change in information.
 - The Company secretary shall forward a copy of the report on interest to the Chairman of the Board and Chairman of the Audit Committee for their acknowledgement within 7 (seven) working days after the Company has received such report.
3. Directors and executives cannot make decisions on any transactions which they have a conflict of interests with.

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

9.6 Audit fee

A) Audit fee

For 2017, 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”)	484,000	-
KGI Securities (Thailand) International Holdings Limited (a wholly owned subsidiary)	Ernst & Young Hong Kong	-	33,600
KGI (Thailand) Holdings Limited (a wholly owned subsidiary)	Ernst & Young Hong Kong	-	63,000
Total Audit Fee		2,444,000	96,600

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 2017, 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	9,500
Total Non-Audit Fee			9,500

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

9.7 Implementation of Code of Best Practices of SET

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

The Company has complied with the principles of good corporate governance for listed companies 2012 in accordance with the guidelines prescribed by the Stock Exchange of Thailand in five categories. In addition, the Company also has considered and approved the implementation of the CG Code 2017 in a manner appropriate to the Company’s business.

Based on the corporate governance assessment of the Company for the year 2017 by the Thai Institute of Directors (IOD), the Company’s score was “**excellent**” in the category of “Right of shareholders”, “Equitable Treatment of Shareholders” and “Disclosure and transparency”, and was “**very good**” in the category of the “Role of Stakeholders” and “**good**” in the category of “Board Responsibilities”.

Implementation of Good Corporate Governance in 2017

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. 1/2017 in both Thai and English languages on the Company's website on 6th March 2017, more than 30 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 1/2017 that was held on 11th April 2017, the Company requested Thailand Securities Depository Co., Ltd., the Company's registrar to send out the notice to shareholders on 21st March 2017, which is 21 days prior to the meeting day.
- 1.4 The notice of AGM no.1/2017, 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.1/2017 on 11th April 2017, at 2 p.m., Ballroom 2&3, Ah Yat Abalone Convention Hall, 12th Floor (Parking Building), No. 43, Thai CC Tower, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120.
- 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. 1/2017, 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".
- 2.6 The Company has appointed an external auditor to act as the inspector to check the votes counted at the meeting and recorded in the AGM minutes.
- 2.7 The Company did not include any additional agenda items which were not specified in the notice of the Annual General Meeting of Shareholders No. 1/2560

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

- 3.1 On the AGM no. 1/2017, the Company announced the resolutions and the voting, separating the "approve", "against" or "abstention" through the SET's ELCID System on 11th April 2017.
- 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. 1/2017, 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 24th April 2017, which was 13 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.

1. Policy and best practice to Customers

- The Company will propose products relevant to clients' needs and provide quality services.
- The Company will provide equal services to every client.
- The Company will disclose 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 will not disclose client's information to other clients or related persons except for disclosures that are following regulations or injunctions, etc.
- 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.

2. Policy and best practice to Competitors

- The Company will do any activity under rules in order to support good competition according to the determined rules.
- The Company does not seek any competitors' confidential information in a dishonest or improper manner.
- The Company does not destroy the reputation of competitors by accusing them without honest and factual data. Furthermore, the Company must practice under the international competition rules, commercial practices, and does not seek competitors' information using fraudulent methods.

3. Policy and best practice to Suppliers

- 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 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.

4. Policy and best practice to Creditors

- The Company complies with agreements and conditions mutually agreed upon strictly and in case of non-compliance with any conditions, including obligation and liabilities, notifies customers immediately to jointly seek solutions on a rational basis.
- The Company maintains an appropriate capital structure in order to support the business operation and creditor confidence.
- The Company does not give cooperation to or support any persons or organizations which conduct illegal business or are a threat to society and national security.
- The Company is committed to maintaining a sustainable relationship with creditors on the basis of mutual trust.

5. Policy and best practice to Social and Environment

- The Company intends to do business environmentally responsibly.
- The Company supports all employees to have awareness and responsibility on environment by efficiently using resources to the best benefits, such as a policy of saving electricity, saving use of water and saving use of office equipment.
- The Company often supports social activities.
- The Company will encourage awareness of social responsibility to every employee at every level.

6. Policy and best practice to Employee and policy of Fair Compensation and policy on development of Safety and Health

The Company regards each employee as a respected and honored colleague who should be well cared for. The Company disclosed the Policy and best practice to Employee and Policy of Fair Compensation and Policy on development of Safety and Health in topic 8.5 Employees.

7. Policy on Human Right

- The Company supports staff exercising their rights as citizens under the constitution and laws.
- The Company has kept personal information of the Company's staff such as biography, health history, work experiences, etc. The personal information will be disclosed to the public only if it has been approved by the personal information owner. Harassment is subject to disciplinary action following the Company's rules or laws.
- The Company does not support any violation of international human rights and dishonesty.
- The Company's staff must not do anything to violate or threaten, whether in verbal or action, others based on race, gender, religion, age, or physical and mental disabilities.

8. Policy on Intellectual Property

- Works during the duties and Company's operations will be considered as property of the Company.
- The staff must return intellectual property to the Company on termination of employment regardless of the form the files are stored in.
- Computers and software of the Company must get permission from copyright owners, to avoid violation of intellectual property infringement.
- To present or to use works or information received from a third party it must be ensured that it does not violate intellectual property laws.

9. Channels and procedure on Whistle Blowing

The Company encourages employees, including stakeholders, to inform the story or suspicious behavior or suspect that there may be a future offense. The Company has set up a procedure and provides channels for complaints as follows:

Complaint procedure

1. Employees, including all stakeholders, may report or complain about matters that may cause damage to the Company to the Board. The Company assigns the Audit Committee to receive the complaint.
2. The Audit Committee will investigate and report to the Board. And record the investigation report in writing.
3. The Company has measures to protect all employees or stakeholders who complain and do not disclose the name of the complainant. The Company will keep all complaints confidential.

Channel to complain

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 Audit Committee 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 56-1 Form, 56-2 Form, 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 Charter

The Board has established the Board Charter, which defines the duties and responsibilities of the Board, to be used in reference to the duties of each director. The charter will be reviewed at least once a year. The Company has disclosed the Board Charter on the Company's website.

Corporate Governance Policy

The Company shall abide by the principles of its Corporate Governance Policy so that the quality of management is effective, transparent and accessible. The Corporate Governance Policy will enhance confidence and trust from shareholders, investors, stakeholders, and related parties. The Corporate Governance Policy is a tool to increase the value and enhance the sustainable growth of the Company.

The Board of Directors has approved the Company's Corporate Governance Policy in writing and has a policy to review it and its implementation once a year. The Company has disclosed the Corporate Governance Policy on the Company's website.

Code of conduct

The Company intends to act in accordance with the principles of Good Corporate Governance. The Code of Conduct is one way to help the Company achieve this goal. A Code of Conduct is an ethical standard with principles of behavior for staff to abide by.

To enhance good standards and ethics that can sustain trustworthiness and reliability of the Company, the Company has set up a Code of Conduct for employees and executives, which includes penalty provisions, to ensure international standards, transparency, integrity, and accountability.

Policy regarding directors holding positions in other listed companies

The Board sets the number of companies of which a director can simultaneously be a director which is appropriate to the nature and types of businesses involved, as follows:

1. The directors cannot take any position in a business which may have a conflict of interest with the Company's business unless authorized by the board.
2. The board sets a limit of not more than 5 listed companies in Thailand of which a Director can simultaneously be a director, to ensure that directors are able to devote adequate time to their duties.
3. The Company will disclose each Director's positions in other companies, if any, in its Annual Report.

Policy regarding the Chief Operating Officer and management holding positions in other listed companies

The Board sets the maximum number of companies of which the Chief Operating Officer ("COO") and key executives (Department Head up) can simultaneously be a director as follows:

1. The COO and key executives cannot take any position in a business which may have a conflict of interest with the Company's business, unless approved by the Board.
2. The Board sets a limit of not more than 3 listed companies in Thailand of which a COO and key executives can simultaneously be a director, to ensure that the COO and key executives are able to devote adequate time to their duties.
3. The Company will disclose the positions of the COO and key executives in other companies, if any, in its Annual Report.
4. Before taking any position in another company, the COO and key executives shall first obtain approval from the Board.

Board of Directors' meeting

1. A Board of Directors' meeting shall be attended by no less than half of all the Directors in order to constitute a quorum. In the event the Chairman is not present or is unable to discharge his duties, the Vice-Chairman, if any, shall serve as the Chairman. If there is no Vice-Chairman or such Vice-Chairman is unable to discharge his duties, the Directors present shall elect one of their members to act as Chairman of the meeting.
2. The Company sets the schedule of the Board of Directors' meetings in advance and each director will be notified of the schedule so that each can arrange to attend meetings.
3. The number of Board of Director' meetings shall be appropriate to the obligations and responsibilities of the Board and nature of the Company, but should be at least six times per year.
4. Meeting documents shall be sent to each director at least five business days before the meeting.
5. The Chairman will allocate the meeting time appropriately for complete management presentation and comprehensive discussion by directors. The Chief Operating Officer may invite management to attend a Board of Directors' meeting to present details on the issues that they are directly responsible for.
6. The minutes of the Board of Directors' meeting shall 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 the name of minute taker. The Company shall maintain good storage systems to store and retrieve the data. The Company Secretary will inform the SEC of the storage place.

7. All resolutions of the Directors' meeting shall be passed by a majority vote of the Directors present at the meeting. Each Director shall have one vote, however, the Director who has interest in any matter cannot exercise such vote. In the case of a tied vote, the Chairman shall have a deciding vote.

Development Directors' continuing education

The Company has a policy to encourage at least 1 director to attend the seminar that are relevant to their duties and responsibilities. In 2017, there are 1 director attended the seminar, which are Mr. Pradit Sawattananond, independent director, attended the seminar on Practices for Directors in Cyber Supervision and Prevention.

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 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 or terms for which any Independent Director can hold office so that the Company does not lose the opportunity to appoint knowledgeable, capable and experienced directors who can contribute to the Company. However, to ensure that the Company's Independent Directors will be truly independent, where the Company intends to appoint an Independent Director whose duration of service as an Independent Director of the Company is more than 9 years, the Board shall assign the Nomination Committee to consider the suitability before proposing to the Board for consideration. The Board of Directors will consider whether an Independent Director can express his / her opinion independently before approving the appointment

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.

A. Criteria for evaluating the performance of the Board of Directors

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 2017 annual assessment of the Board of Directors as a whole is a favorable result with an average score of 3.95.

B. The process of evaluating the performance of the Board of Directors

- 1) The Board of Directors evaluates its performance using the assessment form produced by the SET, to ensure that the evaluation is accurate, complete and in accordance with the criteria prescribed by the regulator.
- 2) The Company Secretary sends a self-assessment form to all directors in the middle of November. All directors evaluate the Boards' performance and return the form to the Company secretary by the end of November each year.
- 3) The Company Secretary summarizes the results and reports them to the Board of Directors in December each year.

Items that the Company cannot follow principles of good corporate governance of SET

Topic	Reason
1. The Company should inform the shareholders via its website of their rights to propose additional agenda items, and to nominate candidates for directors, including the procedures and deadlines for submitting such proposal for the Board of directors' consideration.	The Company has already disclosed in 56-1 that shareholders can propose additional agenda items, and nominate a candidate for Director to the Company Secretary. The Company Secretary will propose to for the Board of Directors for their consideration.
2. If the chairman is not an independent director, the Board should ensure the balance of power and authority of the board and between the board and management by: 2.1 having the board comprise a majority of Independent Directors, or 2.2 appointing a designated Independent Director to participate in setting the board meeting agenda.	The Chairman of the Board is not an Independent Director, however the Company ensures the balance of power and authority of the Board and between the Board and management because the Company has 4 Independent Directors any of whom may propose any matter to the Board or to Management. In addition, the Audit Committee (comprised of 3 Independent Directors) considers all connected transactions before they are proposed to the board.

Topic	Reason
3. The Board of Directors should set limitations an individual may serve as an independent director to a maximum of 9 consecutive years. 4. The Board of Directors should set limitations on consecutive terms of directors and committee members.	The Company did not set limitations on terms for directors since the Company believes that the Company's directors have knowledge and capability. The long-term experience of the director gives them a good understanding of the Company's business.
5. The Board should establish a Compensation Committee with the majority of its members and its Chairman being Independent Directors.	The Company's Compensation Committee consists of 1 Independent Director, 1 Non-executive Director experienced in legal issues, and 1 executive of the major shareholder involved in Human Resource management. Thus the Compensation Committee can make accurate and informed decisions.
6. Non-executive directors should be responsible for determining the total compensation of, and performance evaluation criteria for, the Chief Operating Officer.	The Company has assigned the Company's Compensation Committee to be responsible for determining the total compensation of, and performance evaluation criteria for the Chief Operating Officer. The Compensation Committee consists of 1 Independent Director, 1 Non-executive Director experienced in legal issues, and 1 executive of the major shareholder involved in Human Resource management. Thus the Compensation Committee can make accurate and informed decisions.

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 2017 CSR Report of the Company (the fiscal year of 1st January 2017 – 31st December 2017), 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.

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 2017, the Board of Directors approved a CSR project to help provide access to education for school students who live in remote rural areas by donating 1,150 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. Furthermore, the Board of Director's meeting No.1/2017, dated 22nd February 2017, has reviewed and approved the improvement of such Policies and Guidelines already. (See the policies and guidelines to prevent and combat corruption on the Company's website: www.kgiworld.co.th).

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, executives 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 a clear policy on receiving gifts, ie, directors, executives and employees can receive gifts worth no more than Baht 5,000. In case of gifts worth more than Baht 5,000 and can not reject, directors, executives and employees shall follow the Company's procedure.
5. The Company encourages employees, including stakeholders, to inform the story or suspicious behavior or suspect that there may be a future offense. The Company has measures to protect all employees or stakeholders who complain and do not disclose the name of the complainant. The Company will keep all complaints confidential.

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 corruption1. 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 provides directors, executives, and employees with copies of policies and practices to prevent and combat corruption. And post it on the Lotus note and the Company website (www.kgiworld.co.th) to ensure that everyone understands the Company's anti-corruption policy. It also includes this policy as part of an employee orientation.

In addition, in 2017, the Company sent the letter to inform its business partners regarding Company policy prohibiting the acceptance of gift at any season or any other occasion.

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 2017, 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.1/2018 held on 26th February 2018, the Audit Committee has completed the self –assessment questionnaire regarding the Adequacy of Internal Control Systems for year 2017 as following parts and reported to the Board of Directors Meeting No.1/2018 held on 26th February 2018 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 2017 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 established the Audit Department, reports to the Audit Committee and 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 more 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. (see The qualification of the Head of Audit Department as per Attachment 3)

Head of Legal & Compliance Department.

The Company has established a Legal and Compliance Department to ensure that the Company does not violate any rules or regulation. The Company has appointed Ms. Nantarat Surakhaka as the acting head Legal and Compliance Department.

Head of Finance & Accounting Department and Accountant Officer

The Company has appointed Ms. Khunmira Thanmom, Executive Vice President, to act as Head of Finance & Accounting Department since 1st April 2008 and has appointed Ms. Wipha Katikubanan, Senior Vice President, to act as the Accountant Officer of the Company since 26th April 2016. Such persons have the qualifications as required by the SEC. (see the qualification of Head of Finance & Accounting Department and Accountant Officer in Attachment 3)

12. Related Party Transaction

12.1 Related Party Transactions

During the years ended 31st December 2017, 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. 35)

In 2017, 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 develop its Algorithmic Trading System.	The total service fee for 2 years is capped at USD 406,939. (equivalent to Baht 14.45 million, represents 0.27% 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.

12.2 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 to comment on the transaction. The independent financial advisor has to comment on the rationale and benefits to the Company, fairness price, conditions and risks etc.

12.3 Policy regarding planned future connected transactions

The Company and its subsidiaries have no current intention to enter into transactions with persons who may have a conflict of interest. However, if such transactions become necessary, the Company will strictly comply with the SEC and SET regulations and strictly follow the process of approving any connected transaction as described above.

PART 3
FINANCIAL POSITION AND OPERATING RESULT

13. Financial position and operating results

(A) Summary of the Report of the Independent Auditors for 2015 - 2017

In 2015 - 2017, the Company appointed Mr. Chavala Tienpasertkij, Certified Public Accountant no. 4301 of Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, “Deloitte” as Auditor. The Auditor reported unqualified opinion that the Company’s consolidated and separate financial statements present fairly, in all material respects and the financial performance and cash flows for the year in accordance with Thai Financial Reporting Standards (“TFRSs”).

Emphasis of Matter in Report of the independent certified public accountant of the Company’s financial statement for 2017

“Without modifying our conclusion, we draw attention to Note 3 to the financial statements that KGI Securities (Thailand) Public Company Limited and its subsidiaries have elected to change accounting policy relating to investments in subsidiaries in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards and the Company restated the separate statement of financial statements for the year ended December 31, 2016 and the separate statement of financial position as at January 1, 2016 which are presented as comparative information, to be in accordance with the revised Thai Financial Reporting Standard.”

(B) Summary of audited financial statements for the Company and its subsidiary companies for the years ended 31st December 2015 - 2017.

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017 and 2016 and 2015

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at December 31, 2017		As at December 31, 2016		As at December 31, 2015	
ASSETS						
ASSETS						
Cash and cash equivalents	322,234,867	2%	392,296,992	3%	446,998,146	5%
Securities purchased under resale agreements	360,000,000	2%	370,000,000	3%	140,000,000	1%
Receivables from Clearing House and broker - dealers	481,468,149	3%	2,117,084,930	15%	874,170,607	9%
Securities business receivables and						
Derivatives business receivables	6,590,014,892	39%	5,098,933,496	36%	5,053,291,873	52%
Accrued fees and service income						
from asset management business	52,817,905	-	59,238,044	-	49,278,596	1%
Derivatives assets	131,503,021	1%	72,399,616	1%	93,269,455	1%
Investments	8,621,732,023	51%	5,580,931,251	39%	2,551,447,042	26%
Property, plant and equipment	107,717,090	1%	107,465,327	1%	112,550,014	1%
Intangible assets	73,408,881	-	66,935,399	1%	68,116,837	1%
Goodwill	26,713,599	-	26,713,599	-	26,713,599	-
Properties foreclosed	30,456,355	-	31,556,355	-	35,075,355	1%
Deferred tax assets	5,612,956	-	6,295,557	-	3,335,742	-
Other assets	221,391,487	1%	202,220,138	1%	200,662,230	2%
TOTAL ASSETS	17,025,071,225	100%	14,132,070,704	100%	9,654,909,496	100%

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2017 and 2016 and 2015

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	As at December 31, 2017		As at December 31, 2016		As at December 31, 2015	
LIABILITIES AND OWNERS' EQUITY						
LIABILITIES						
Borrowings from financial institutions	3,700,000,000	22%	1,700,000,000	12%	-	-
Securities sold under repurchase agreements	403,000,000	2%	540,000,000	4%	10,000,000	-
Payables to Clearing House and broker - dealers	109,312,910	1%	-	-	117,450,667	1%
Securities business payables and						
Derivatives business payables	3,588,190,091	21%	3,918,283,270	28%	3,388,911,531	35%
Accrued fees and service expenses						
from asset management business	12,989,914	-	9,927,067	-	7,452,437	-
Derivatives liabilities	531,668,585	3%	260,270,087	2%	109,605,122	1%
Accrued expenses	429,136,008	3%	475,876,966	3%	342,259,945	4%
Current tax liabilities	95,515,808	-	107,886,231	1%	24,159,758	-
Debts issued and borrowings	2,382,765,876	14%	1,478,402,837	10%	454,671,746	5%
Provisions for long-term employee benefits	106,776,849	1%	88,765,202	1%	71,387,291	1%
Provisions for liabilities	39,811,557	-	42,372,143	-	46,697,251	1%
Deferred tax liabilities	579,114	-	2,445,081	-	13,090,925	-
Other liabilities	28,160,218	-	24,186,454	-	25,919,971	-
Total liabilities	11,427,906,930	67%	8,648,415,338	61%	4,611,606,644	48%
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	12%	1,991,763,130	14%	1,991,763,130	21%
Share premium	982,166,480	6%	982,166,480	7%	982,166,480	10%
Surplus from unexercised warrants	101,922,580	-	101,922,580	1%	101,922,580	1%
Retained earnings						
Appropriated - statutory reserve	199,176,313	1%	199,176,313	1%	199,176,313	2%
Unappropriated	2,365,502,610	14%	2,234,488,542	16%	1,779,748,786	18%
Other component of owners' equity	(46,928,521)	-	(28,987,912)	-	(14,183,911)	-
Equity attributable to equity holders of the parent	5,593,602,592	33%	5,480,529,133	39%	5,040,593,378	52%
Non-controlling interests	3,561,703	-	3,126,233	-	2,709,474	-
Total owners' equity	5,597,164,295	33%	5,483,655,366	39%	5,043,302,852	52%
TOTAL LIABILITIES AND OWNERS' EQUITY	17,025,071,225	100%	14,132,070,704	100%	9,654,909,496	100%

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016 and 2015

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017		2016		2015	
REVENUES						
Brokerage fees	917,036,355	30%	1,045,937,174	32%	906,006,228	37%
Fees and service income	672,198,509	22%	669,451,623	21%	616,879,780	25%
Interest on margin loans	136,710,784	4%	99,412,181	3%	100,257,584	4%
Gains and return on financial instruments	1,327,898,375	43%	1,424,752,871	44%	838,075,519	34%
Other incomes	4,428,223	1%	6,301,384	-	20,726,038	-
Total revenues	3,058,272,246	100%	3,245,855,233	100%	2,481,945,149	100%
EXPENSES						
Employee benefits expenses	1,015,492,905	33%	1,047,520,357	32%	849,239,797	34%
Fees and service expenses	357,452,055	12%	360,395,286	11%	353,350,229	14%
Finance costs	140,565,253	5%	113,163,106	3%	112,311,789	5%
Bad debt and doubtful accounts (reversal)	(20,059,617)	(1%)	7,215,754	1%	(1,600,701)	-
Other expenses	457,601,190	15%	436,619,475	13%	422,939,051	17%
Total expenses	1,951,051,786	64%	1,964,913,978	60%	1,736,240,165	70%
Profits before income tax	1,107,220,460	36%	1,280,941,255	40%	745,704,984	30%
Income tax expenses	(219,146,936)	(7%)	(257,402,145)	(8%)	(157,423,178)	(6%)
Profits for the years	888,073,524	29%	1,023,539,110	32%	588,281,806	24%

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016 and 2015

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017		2016		2015	
Other comprehensive gain (loss):						
Items that will not be reclassified subsequently to profit or loss:						
Actuarial gain (loss) on defined benefit plan	1,210,999	-	-	-	(11,865,549)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(242,200)	-	-	-	2,373,110	-
	968,799	-	-	-	(9,492,439)	-
Items that may be reclassified subsequently to profit or loss:						
Gains (Loss) on remeasuring available-for-sale investments	4,471,186	-	(12,706,802)	(1%)	7,568,236	-
Exchange differences on translating the financial statements	(22,330,926)	(1%)	(2,097,199)	-	23,718,690	1%
Income tax relating to items that may be reclassified subsequently to profit or loss	(80,869)	-	-	-	-	-
	(17,940,609)	(1%)	(14,804,001)	(1%)	31,286,926	1%
Total other comprehensive gain (loss) after tax	(16,971,810)	(1%)	(14,804,001)	(1%)	21,794,487	1%
Total comprehensive income for the years	871,101,714	28%	1,008,735,109	31%	610,076,293	25%
Profits for the years attributable to:						
Equity holders of the parent	886,882,976	29%	1,022,368,072	32%	587,215,008	24%
Non-controlling interests	1,190,548	-	1,171,038	-	1,066,798	-
	888,073,524	29%	1,023,539,110	32%	588,281,806	24%
Total comprehensive income for the years attributable to:						
Equity holders of the parent	869,911,166	28%	1,007,564,071	31%	609,009,495	25%
Non-controlling interests	1,190,548	-	1,171,038	-	1,066,798	-
	871,101,714	28%	1,008,735,109	31%	610,076,293	25%
Earnings per share attributable to equity holders of the parent						
Basic earning per share	0.45		0.51		0.29	

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016 and 2015

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		
	2017	2016	2015
Cash flows from operating activities			
Profits before income tax expenses	1,107,220,460	1,280,941,255	745,704,984
Adjustments to reconcile profits before income tax expenses to net cash provided by (paid for) operating activities:			
Depreciation and amortisation	61,611,899	58,014,747	52,575,926
Bad debts and doubtful accounts	9,170,364	10,455,834	9,200,973
Provisions for liabilities (reversal)	(2,810,000)	2,902,500	2,810,000
(Gains) Losses on revaluation of trading securities and derivatives	61,628,979	(62,231,213)	34,295,774
Gains on disposal of investments	(10,680,651)	-	-
Premium on investments in debt securities of a subsidiary	196,725	5,166	187,345
Discount on debts issued and other borrowings	(37,968,269)	(20,889,025)	(13,740,127)
Amortisation of deferred interest of financial lease	105,885	-	-
(Gains) losses on disposals and written-off of equipment	189,391	274,005	(316,061)
Gains on disposals properties foreclosed	(1,720,000)	(5,381,000)	(10,176,782)
Interest income on deposits and investments	(119,246,802)	(130,773,972)	(142,699,124)
Dividend income	(153,730,170)	(129,922,489)	(119,767,849)
Financial costs	140,565,253	113,163,106	112,311,789
Provisions for long-term employee benefits	20,355,796	17,377,911	14,784,458
Income from operating activities before changes in operating assets and liabilities	1,074,888,860	1,133,936,825	685,171,306
(Increase) decrease in operating assets			
Securities purchased under resale agreements	10,000,000	(230,000,000)	(140,000,000)
Receivables from Clearing House and brokers - dealers	1,635,616,781	(1,243,166,282)	(274,849,223)
Securities business receivables and Derivatives business receivables	(1,500,251,760)	(64,911,322)	(175,904,827)
Accrued fees and service income from asset management business	6,420,139	(9,959,448)	(7,542,774)
Derivatives assets	(48,399,351)	(46,947,147)	32,333,156
Trading securities	(2,908,755,924)	(2,941,405,541)	1,513,645,972
Other assets	(16,632,126)	(26,059,669)	(25,814,944)
Increase (decrease) in operating liabilities			
Borrowings from financial institutions	2,000,000,000	1,700,000,000	(600,000,000)
Securities sold under repurchase agreements	(137,000,000)	530,000,000	(120,000,000)
Payables to Clearing House and brokers - dealers	109,312,910	(117,450,667)	117,450,667
Securities business payables and Derivatives business payables	(333,021,084)	513,770,424	213,947,256
Accrued fees and service expenses from asset management business	3,062,847	2,474,630	1,248,182
Derivatives liabilities	250,409,947	167,050,056	(23,857,596)
Accrued expenses	(47,589,089)	131,388,046	(64,564,699)
Debts issued and other borrowings	907,400,320	1,024,965,863	(208,076,061)
Payments on long-term employee benefits during the years	(1,133,150)	-	(2,000,000)
Other liabilities	4,653,194	3,569,225	1,249,178
Cash received from operation	1,008,982,514	527,254,993	922,435,593

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016 and 2015

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		
	2017	2016	2015
Cash received from interest income on deposits and investments	116,916,254	159,184,284	124,568,536
Cash paid for interest expenses	(105,201,123)	(93,008,917)	(92,667,746)
Cash paid for income taxes	(233,023,794)	(187,281,330)	(217,616,154)
Net cash provided by operating activities	787,673,851	406,149,030	736,720,229
Cash flows from investing activities			
Cash paid for available-for-sale securities	(97,126,131)	-	-
Proceed from disposals of available-for-sale securities	10,742,640	-	-
Cash paid for held-to-maturity securities	(195,400,000)	(50,303,733)	(57,149,369)
Proceed from disposals of held-to-maturity securities	100,619,557	77,656,000	9,566,161
Cash paid for investment in a subsidiary	(103,798)	(102,999)	(49,624)
Dividends received on investment in securities	153,521,494	127,176,091	120,193,929
Dividends received from a subsidiary	-	-	-
Cash paid for purchases of equipment and intangible assets	(67,915,044)	(55,456,628)	(55,555,731)
Proceed from disposals of equipment	167,598	284,402	369,409
Cash paid for financial lease	(900,000)	-	-
Proceed from properties foreclosed	2,820,000	8,900,000	19,840,000
Net cash provided by (used in) investing activities	(93,573,684)	108,153,133	37,214,775
Cash flows from financing activities			
Dividends paid	(756,837,707)	(567,628,316)	(726,962,287)
Dividends paid to non-controlling interests	(651,280)	(651,280)	(874,998)
Net cash used in financing activities	(757,488,987)	(568,279,596)	(727,837,285)
Net decrease in cash and cash equivalents before changes in exchange differences on translating the financial statements	(63,388,820)	(53,977,433)	46,097,719
Exchange differences on translating the financial statements	(6,673,305)	(723,721)	7,728,398
Net decrease in cash and cash equivalents	(70,062,125)	(54,701,154)	53,826,117
Cash and cash equivalents as at January 1,	392,296,992	446,998,146	393,172,029
Cash and cash equivalents as at December 31,	322,234,867	392,296,992	446,998,146

(C) Ratios for years 2015-2017

Consolidated financial statements	2017	2016	2015
Profitability Ratios			
Gross profit margin (%)	83.69%	85.38%	81.08%
Net profit margin (%)	29.00%	31.50%	23.66%
Return on equity (%)	16.02%	19.43%	11.52%
Return on investment (%)	18.70%	35.04%	25.50%
Efficiency Ratios			
Return on assets (%)	5.69%	8.60%	5.82%
Assets turnover (times)	0.20	0.27	0.25
Financial Ratios			
Liquid assets to debt (times)	1.26	1.46	5.18
Earning assets to debt (times)	2.35	2.87	16.37
Liquid assets to total assets (%)	47.88%	38.48%	24.95%
Earning assets to total assets (%)	89.35%	75.57%	78.77%
Total Liabilities to equity (times)	2.04	1.58	0.91
Dividend pay-out ratio (%) (Dividend per share /Basic earning per share of separate financial statements*)			
-separate financial statements (Equity Method)	71.91%	-	-
-separate financial statements (Cost method)	76.74% **	77.71%	98.96%
Other Ratios			
Securities investment to total assets (%)	50.64%	39.49%	26.43%
Net Capital Ratio (NCR) (%)	42.79%	59.31%	131.06%
Net Liquid Capital (Million Baht)	4,157	4,066	3,756
Per Share Information			
Par Value per share (Baht)	1.00	1.00	1.00
Book Value per share (Baht)	2.81	2.75	2.53
Basic Earnings per share (Baht)	0.45	0.51	0.29
Dividend per share (Baht)	0.320	0.380	0.285

Note:

- * The Company has elected to change accounting policy relating to investments in subsidiaries in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards. (See details in Note to Financial Statements no.3)
- Year 2017: The separate financial statements presented investments in subsidiaries under equity method.
 - Year 2015-2016: The separate financial statements presented investments in subsidiaries under cost method.

** Presented as comparative information

14. Management Discussion & Analysis

(Consolidated financial statements as at 31st December 2017, “Company” refers to the “Company and its subsidiaries”)

14.1 Overview

For the whole of 2017, the SET Index extended its strong rally, rising 13.66% to close the year at 1,753.71pts. The daily average market turnover (both SET and MAI) stood at Baht 50.11 billion, decreasing by 4.6% from Baht 52.53 billion in 2016. Foreign investors reported a moderate net selling position of Baht 25.8 billion in 2017, compared to a foreign net buying of Baht 77.9 billion during 2016. The market capitalization increased to Baht 17.59 trillion at the end of 2017, rising by 16.6% from Baht 15.08 trillion at the end of 2016.

In 2017, the Company achieved consolidated profits (attributable to equity holders of the parent) of Baht 887 million and earnings per share of Baht 0.45, a decrease of 13% when compared to consolidated profits (attributable to equity holders of the parent) of Baht 1,022 million and earnings per share of Baht 0.51 the previous year.

The Company’s operations are strong and diverse, having stable revenue streams from lines of business other than the brokerage segment. Over the past 3 years, the fees earned from the brokerage fees accounted for 37%, 32% and 30% of total revenues for years 2015-2017 respectively, which is less than the industry average. By reducing its reliance on the brokerage fees, the Company has put itself in a better position to handle the intensifying competition following the full liberalization of brokerage fees.

As for its credit risk exposure, the Company’s margin loan portfolio as at 31st December 2017 was Baht 2,872 million or around 51% of the value of the Company’s equity. However, 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 controls concentration risk of credit exposure, not too much lending in one stock or to the same industry.

In 2017, the Company’s gains and returns on financial instruments, which represented around 43% of annual revenues, were derived from a variety of activities, including derivative warrants (DWs), over-the-counter (OTC) derivatives, and investments in debt and equity securities for the company’s own account, bond dealing and private repos.

The Company’s DW business was also successful, producing a substantial increase in market share, and maintained its position as one of the leading DW issuers and market makers in Thailand. In 2017, the Company launched 297 DWs which received a great response from investors. In Jan 2018, to support the expansion of the Company’s Derivative Warrant business, an EGM approved an increase of the maximum outstanding issue size of all DWs issued by the Company from not exceeding Baht 2,000 million to not exceeding Baht 5,000 million.

The Company’s proprietary trading activity has a proven track record of generating steady profit from securities trading. The Company has investments in both debt and equity securities. By the end of 2017, the Company had total investments of Baht 8,622 million, up from Baht 5,581 million at the end of 2016. However, 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 the risk of losses due to market volatility and controls risk limits on a daily basis. The Risk Management Committee will review these on a regular basis to be appropriate for market conditions.

The Company also has a recurring source of revenue from asset management through its 99% ownership of ONE Asset Management Co., Ltd. (ONEAM). Revenues from fund management, which represented 18.51% of total revenues in 2017, are typically less volatile than other sources of revenue in the securities industry.

The Company is considered 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 KGI a competitive edge in product development in Thailand. By offering a wide range of products, KGI can attract different groups of investors as clients. KGI strives to stay ahead of its competitors by launching innovative financial

products. KGI can then enjoy higher profit margins on the new products before competition crowds the market.

The Company's net capital ratio (NCR) has been historically strong. It stood at 43% at the end of 2017, much higher than the regulatory minimum of 7%.

In 2017, the Company won the "Best Derivatives House Award" from the SET AWARD and TFEX Most Active House, TFEX Most Active Agent, Market Maker Best Performance 2017 for equity futures and Most Active Prop-Trading of the Year (2nd place) from TFEX BEST AWARDS.

14.2 Results of operations

Revenues

In 2017, the Company had total revenues, as shown in its consolidated financial statements, of Baht 3,058 million, a decrease of 6 percent compared to the previous year, mainly due to a decrease in Brokerage fees income and Gains and returns on financial instruments. The details are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended

December 31,

Unit: Thousand Baht

Revenues	2017	2016	% Change
Brokerage fees	917,036	1,045,937	(12%)
Fees and service income	672,199	669,452	0.4%
Interest on margin loans	136,711	99,412	38%
Gains and returns on financial instruments	1,327,898	1,424,753	(7%)
Other incomes	4,428	6,301	(30%)
Total revenues	3,058,272	3,245,855	(6%)

Brokerage fees

In 2017, the Company reported Brokerage fees of Baht 917 million, representing a 12% decrease compared to 2016. The Brokerage fee income consisted of Brokerage fees from securities business of Baht 706 million, Brokerage fees from derivatives business of Baht 211 million.

The decrease in Brokerage fee income from securities business was mainly due to a decrease in average daily trading volume of the SET and a decrease in the Company's market share from 3.76% in 2016 to 3.27% in 2017. The decrease in brokerage fee income from derivatives business was mainly due to a decrease in the Company's market share in TFEX which decreased from 12.59% in 2016 to 12.12% in 2017.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended

December 31,

Unit: Thousand Baht

Brokerage fees income	2017	2016	% Change
Brokerage fees from securities business	705,862	833,100	(15%)
Brokerage fees from derivatives business	211,174	212,837	(1%)
Total brokerage fees	917,036	1,045,937	(12%)

Fees and Service income

In 2017, the Company reported fee and service income of Baht 672 million, representing an 0.4% increase compared to 2016, fee and service income came mainly from mutual fund management fees, registrar and

custodian fees and private fund management fees from ONE Asset Management Limited (The Company's asset management subsidiary).

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended
December 31,

Unit: Thousand Baht

	2017	2016	% Change
Fees and service income			
Mutual fund management	361,765	385,772	(6%)
Private fund management	70,680	54,068	31%
Provident fund management	11,958	8,305	44%
Registrar and custodian	79,852	86,734	(8%)
Securities borrowing and lending	6,918	7,751	(11%)
Underwriting	25,139	31,001	(19%)
Financial advisory	6,946	6,846	1%
Placement agent	11,675	15,383	(24%)
Sales agent of investment units Over-the-Counter	53,408	39,413	36%
Others	43,858	34,179	28%
Total fees and service income	672,199	669,452	0.4%

Interest on margin loans

The Company's interest on margin loans in 2017 was Baht 137 million, an increase of 38% from the previous year due mainly to an increase in the size of the Company's credit balance accounts. As at 31st December 2017, the Company's margin loan balance was Baht 2,872 million, an increase of 45% from the previous year. The Company controls such risk by establishing credit limits for clients and counter-parties and analyzing their financial position on an ongoing basis.

Gains and returns on financial instruments

The Company's gains and returns on financial instruments 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's gains and returns on financial instruments in 2017 was Baht 1,328 million, a decrease of 7% from the previous year. The total gains and returns on financial instruments of Baht 1,328 million consists of gains on securities of Baht 144 million, gains on derivatives of Baht 911 million, and interest and dividend income of Baht 273 million. (mainly came from dividends from investments in stock market, interest on bank deposits and bonds).

CONSOLIDATED FINANCIAL STATEMENTS
For the years ended
December 31,

Unit: Thousand Baht

	2017	2016	% Change
Gains and returns on financial instruments			
Gains on securities	144,019	291,553	(51%)
Gains on derivatives	910,902	873,291	4%
Interest and dividend income	272,977	259,909	5%
Total gains and return on financial instruments	1,327,898	1,424,753	(7%)

With the proper hedging strategies, the market risks from issuing these types of financial products are relatively low. The Company has risk management policies to control the 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 also using 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 the risk of losses due to market volatility and to control risk limits. The Risk Management Department closely tracks the business' exposure to control the Company's overall risk.

Other Income

The Company's other income in 2017 was Baht 4 million, compared with Baht 6 million in the previous year. The income mainly arose from gains on the disposal of properties foreclosed.

Expenses

The Company's expenses in 2017 were Baht 1,951 million, represented 64% of total income. The majority of the Company's expenses came from employee benefits expenses, fees and service expenses, finance costs, reversal of bad debt and doubtful accounts and other expenses, as follows:

Employee benefits expenses

The Company's Employee benefits expenses in 2017 were Baht 1,015 million, a decrease of 3% from the previous year, mainly from a decrease in personnel expenses which are related to the decrease in the Company's revenue.

Fees and service expenses

The Company's fees and service expenses in 2017 were Baht 357 million, almost the same as in 2016. Fees and service expenses are mainly fees paid in respect of securities trading, futures trading and securities borrowing and lending.

Finance costs

The Company's financial costs in 2017 were Baht 141 million, an increase of 24% from the previous year, mainly from an increase in interest paid on borrowings from financial institutions and bill of exchange.

Bad debt and doubtful accounts (reversal)

The Company reversed bad debts and doubtful accounts of Baht (20) million in 2017 due to cash received from doubtful debts, compared to the provision of bad debts and doubtful accounts of Baht 7 million in 2016.

Other expenses

The Company's other expenses in 2017 were Baht 458 million, an increase of 5% from previous year. The main other expenses were for premises and equipment, communication and information, publication and marketing, entertainment, traveling and professional fees, etc.

Profitability Ratios

The Company's profitability ratios generally decreased in 2017 when compared with the previous year. Gross profit margin, net profit margin, return on equity and return on investment were 84%, 29%, 16% and 19% respectively.

Consolidated financial statements	2017	2016
Gross profit margin (%)	83.69%	85.38%
Net profit margin (%)	29.00%	31.50%
Return on equity (%)	16.02%	19.43%
Return on investment (%)	18.70%	35.04%

14.3 Asset Structure and Management

Operating Asset Structure

As at 31st December 2017, the Company had total assets of Baht 17,025 million, compared with Baht 14,132 million in 2016, representing an increase of 20% from the previous year, mainly due to an increase in the size of the Company's investment portfolios.

The majority of total assets of Baht 17,025 million came from earning assets of Baht 15,211 million which were the net securities and derivatives business receivables of Baht 6,590 million and net investments of Baht 8,622 million. The Company had an asset turnover ratio of 0.20 and return on Assets (ROA) was 5.69%.

The quality of Securities and derivatives business receivables

The Company's securities and derivatives business receivables were of a good quality. As at 31st December 2017, the Company's securities and derivatives business receivables were Baht 6,590 million, an increase of 29% from previous year. 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.

For credit balance accounts, the Company's margin loan portfolio as at 31st December 2017 was Baht 2,872 million, equivalent to approximately 51% 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 2017, the Company's credit lines complied with the Company's policies and were not concentrated in any industry or any client group.

As at December 31, 2017, the Company had other receivables with book values totaling Baht 417 million, on which recognition of income has ceased. The Company has already made full provision for these doubtful accounts amounting to Baht 417 million.

Investments

The Company engaged in various investment activities during the year. As at 31st December 2017, the Company's net investments were valued at Baht 8,622 million, an increase of 54% 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 8,018 million, available-for-sale securities of Baht 264 million, held-to-maturity debt securities of Baht 319 million and general investments of Baht 21 million.

The Company's investments were diversified and were not concentrated in any one company or 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 2017, the Company had other assets of Baht 221 million, almost the same as the previous year. The main other assets were payments to the compensation fund for clearing and settlement, deposits, prepaid expenses and accrued interest income.

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 2017, the Company's cash and cash equivalents were Baht 322 million. The summary of cash flows for 2017 are as follows:

Summary of Cash Flow 2017	Baht Million
Cash flows from operating activities	
Profits before income tax expenses	1,107.22
Adjustments to reconcile profits before income tax expenses to net cash provided by (paid for) operating activities:	(32.33)
Income from operating activities before changes in operating assets and liabilities	1,074.89
(Increase) decrease in operating assets	(2,822.00)
Increase (decrease) in operating liabilities	2,756.09
Cash received from operation	1,008.98
Cash received from interest income on deposits and investments	116.91
Cash paid for interest expenses	(105.20)
Cash paid for income taxes	(233.02)
Net cash provided by operating activities	787.67
Net cash provided by (used in) investing activities	(93.57)
Net cash used in financing activities (Dividend Paid)	(757.49)
Exchange differences on translating the financial statements	(6.67)
Net decrease in cash and cash equivalents	(70.06)
Cash and cash equivalents as at January 1,	392.29
Cash and cash equivalents as at December 31,	322.23

The major contributors to the net cash from operating activities of Baht 787.67 million were income from operating activities, changes in operating assets and liabilities.

Net cash from investing activities of Baht (93.57) million, mainly came from dividends received on investments in securities. Net cash from financing activities of Baht (757.49) million was due to dividends paid to shareholders in May 2017.

The Capital Structure

As at 31st December 2017, the Company's liabilities were Baht 11,428 million, and equity attributable to equity holders of the parent was Baht 5,594 million. The ratio of total liabilities to equity was 2.04 times.

The majority of total liabilities of Baht 11,428 million came from borrowings from financial institutions, securities business payables and derivatives business payables and debts issued and borrowings.

A majority of the equity attributable to equity holders of the parent of Baht 5,594 million came from capital and retained earnings.

Capital Expenditure

In 2017, the Company had 8 capital expenditure projects of more than Baht 2 million, with a total budget of approximately Baht 75 million. The projects were investments in improving IT systems and computer equipment. The Company made payments of Baht 39 million towards the projects in 2017, which from the Company's working capital

Adequacy of Liquidity

The Company has sufficient capital. As at 31st December 2017, the Company had cash and cash equivalents of Baht 322 million. Net Liquid Capital was Baht 4,157 million and Net Capital Ratio ("NCR") was 43%. 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 were as follows:

Capital Fund	31 st Dec 2017	31 st Dec 2016	31 st Dec 2015
Net Liquid Capital (Million Baht)	4,157	4,066	3,756
Net Capital Ratio ("NCR") (%)	42.79%	59.31%	131.06%

Ability to repay loans and comply with loan conditions and obligations

As at 31st December 2017, the Company had borrowings from financial institutions of Baht 3,700 million, and had issued debt and borrowings of Baht 2,383 million (see details in note of financial statement no. 18 and 20 respectively). 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 June 2017, TRIS Rating affirmed the company rating of the Company at "A-". The rating reflects improvement in the stability of the Company's business and its diversification efforts.

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 the notes to the financial statements no. 38

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 controls, 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.

Attachment 1

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

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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	61	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 2017)	-None-	<u>Work experiences</u> Apr 2014 - Oct 2017 Director KGI Futures (Singapore) Pte.Ltd. Incorporated in Singapore Aug 2009 - Dec 2015 Director Bauhinia 8 Fund Incorporated in Cayman Islands Feb 2013 - Aug 2014 Director KGI Capital Asia Limited Incorporated in Hong Kong Dec 2009 - Aug 2014 Director KGI Wealth Management Ltd Incorporated in Hong Kong Aug 2009 - Mar 2013 Director KGI Select Fund SPC Incorporated in Cayman Islands Jul 2009 - Feb 2013 Managing Director KGI Asia Limited Incorporated in Hong Kong Dec 2009 - Feb 2012 Director KT Opportunistic Ltd Incorporated in BVI Jun 2005 - Mar 2009 President and Director PIMCO ASIA Pte Ltd Incorporated in Singapore Sep 2000 - Sep 2006 Director SATA ComHealth Incorporated in Singapore Dec 1999 - Jul 2005 Managing Director & Director Bank Pictet & Cie (ASIA) Ltd Incorporated in Singapore Dec 1999 – Jul 2005 Managing Director & Director Pictet Asia Pte Ltd Incorporated in Singapore <u>Position in Other listed companies</u> -None- <u>Position in Other non- listed companies</u> Nov 2015 - Present Director KGI Alliance Corporation Incorporated in BVI Jan 2015 - Present Director KGI Securities (Singapore) Pte.Ltd Incorporated in Singapore (formerly named KGI Fraser Securities Pte. Ltd. Incorporated in Singapore) Oct 2013 - Present Director KGI International Ltd Incorporated in BVI

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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 (continue) Position in the Company: -Chairman The Appointment date as a director: 14 th Sep 2009	61	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 2017)	-None-	<u>Position in Other non-listed companies</u> Nov 2011 - Present Non- Executive director One Asset Management Ltd. Incorporated in Thailand Aug 2009 - Present Director KGI Capital (Singapore) Pte.Ltd. Incorporated in Singapore Aug 2009 - Present Director KGI Asia (Holdings) Pte Ltd Incorporated in Singapore
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	66	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) 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> 2005 - Present Chairman and Chairman of Audit Committee Tirathai Plc. 2004 - Present Chairman Prueksa Holding Plc. 2008 - Present Chairman of Audit Committee Global Connection Plc. <u>Position in Other non- listed companies</u> 2016 - Present Independent Director Sera 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 University Council Rajamangala University of Technology Krungthep

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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	66	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 2017)	-None-	<u>Position in Other non- listed companies</u> 2011 - Present Chairman and Chairman of Audit Committee Quality Minerals Plc 2005 - Present Independent Director Dumex Ltd. 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 2017)

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 member The Appointment date as a director: 17 th April 2001	66	-MBA, University of Pittsburgh, USA -Ph.D, Electrical Engineering, University of Liverpool, UK <u>Training Program</u> - Directors Certification Program class 62/2005, - Audit Committee Program class 7/2005, - Finance for Non- Finance Directors 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 2017)	-None-	<u>Work experiences</u> Oct 2014 - Nov 2017 COO BEC New Media / IT 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> -None-
4) Mr. Picharn Kullavanijaya Position in the Company: -Independent Director The Appointment date as a director: 24 th May 2011	57	-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 2017)	-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 2017)

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 member -Compensation Committee member - Nomination Committee member - ESOP Committee member The Appointment date as a director: 31 st Jan 2000	69	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 2017)	-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 2017)

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	48	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 2017)	-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 2017)

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>7) Ms. Bee Leng Ooi</p> <p>Position in the Company: -Managing Director -Authorized Director -Nomination Committee member -Risk Management Committee member -Human Resource Committee member -ESOP Committee member</p> <p>The Appointment date as a director: 26th Dec 2000</p>	58	<p>MBA, University of Chicago, USA.</p> <p><u>Training Program</u> -Corporate Governance for Capital Market Intermediaries 9/2015 from Thai Institute of Directors Association (IOD)</p>	<p>Beginning of the year = 0.001% Ending of the year = 0.001% (20,000 shares)</p> <p>(No trading transaction in 2017)</p>	-None-	<p><u>Work experiences</u> 2000 Director, Business Planning KGI Asia Ltd, Hong Kong 1999 - 2000 Managing Director GK GOH Securities, Philippines</p> <p><u>Position in Other listed companies</u> -None-</p> <p><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</p>
<p>8) Ms. Suchada Sodthibhaphkul</p> <p>Position in the Company: -Executive Director -Authorized Director -Risk Management Committee member -Debt Recovery Committee member -Human Resource Committee member</p> <p>The Appointment date as a director: 17th Apr 2001</p>	63	<p>MBA, Chulalongkorn University, Thailand</p> <p><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</p>	<p>Beginning of the year = 0% Ending of the year = 0%</p> <p>(No trading transaction in 2017)</p>	-None-	<p><u>Work experiences</u> May 2011 - May 2017 Director The Thai Bond Market Association 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.</p> <p><u>Position in Other listed companies</u> Jan 2008 - Present Director Thai Rubber Latex Corporation (Thailand) Plc.</p> <p><u>Position in Other non-listed companies</u> -None-</p>
<p>9) Mr. Wisit Wongpaisan</p> <p>Position in the Company: -Director -Nomination Committee member -Risk Management Committee member</p> <p>The Appointment date as a director: 28th Aug 2001</p>	65	<p>MBA, University of East Asia, Macau</p>	<p>Beginning of the year = 0% Ending of the year = 0%</p> <p>(No trading transaction in 2017)</p>	-None-	<p><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.</p> <p><u>Position in Other listed companies</u> -None-</p> <p><u>Position in Other non-listed companies</u> -None-</p>

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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	47	Bachelor, Accounting National Taiwan University, Taiwan	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-None-	<u>Work experiences</u> Mar 2005- Oct 2017 Director KGI Securities (Hong Kong) Limited, Hong Kong 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 Jun 2015-Present Supervisor CDC Finance & Leasing Corp.,Taiwan 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 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 2017)

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	52	-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 2017)	-None-	<p><u>Work experiences</u></p> <p>Dec 2009 - Oct 2017 Director KGI Wealth Management Limited, Hong Kong</p> <p>Jan 2005 - Jan 2013 Director KGI Efficient Frontier Limited, Hong Kong</p> <p>Jun 2005 - Feb 2008 Standing Director KGI Securities (Korea) Co., Ltd, Korea</p> <p>May 1994 - Mar 2004 Senior Lawyer Lee and Li, Attorneys-at-Law, Taiwan</p> <p>Jan 2001 - Jan 2002 Senior Vice President Lee and Li Business Consultant (Shanghai) Co., Ltd, China</p> <p><u>Position in Other listed companies</u> -None-</p> <p><u>Position in Other non- listed companies</u></p> <p>May 2016 - Present Supervisor CDIB Capital Creative Industries Limited, Taiwan</p> <p>Nov 2015 - Present Supervisor CPEC Huachuang Private Equity (Kunshan) Co. Ltd., China</p> <p>Nov 2015 - Present Director CDIB Capital Management Corporation, Taiwan</p> <p>Nov 2015 - Present Supervisor CPEC Huakai Private Equity (Fujian) Co., Ltd., China</p> <p>Sep 2015 - Present Director KGI Fraser Securities Pte. Ltd (Change company name to KGI Securities (Singapore) Pte. Ltd), Singapore</p> <p>Dec 2014 - Present Director KGI Asset Management Limited, Hong Kong</p> <p>Sep 2014 - Present Director KGI Securities Co., Ltd. (Public Company in Taiwan)</p> <p>Aug 2014 - Present Director KGI Alliance Corporation, British Virgin Islands</p> <p>Jan 2013 - Present Executive Vice President China Development Finance Holding Corporation, (Listed company in Taiwan)</p> <p>Jun 2007 - Present Director Global Securities Finance Corporation, Taiwan</p> <p>May 2007 - Present Executive Vice President, KGI Securities Co. Ltd. (Public Company in Taiwan)</p>

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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	55	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 2017)	-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 2017)

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
13) Mr. Somchai Kanjanapetcharat Position in the Company: -Senior Managing Director, Retail Equity Business - Risk Management Committee member The Appointment date as a management: 1 st Mar 2013	62	Development Administration (NIDA), Thailand	Beginning of the year = 0.02% Ending of the year = 0.00% (400,000 shares) (Sell 400,000 shares of KGI stock in 2017)	-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</u> -None- <u>listed companies</u></p> <p><u>Position in Other non-</u> -None- <u>listed companies</u></p>
14) Mr. Suthep Rungsiam Position in the Company: -Managing Director, Brokerage Business - Risk Management Committee member The Appointment date as a management: 1 st Nov 2009	50	-MBA, Chaminade University of Honolulu, USA -BBA, International Business, University of Hawaii, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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</u> -None- <u>listed companies</u></p> <p><u>Position in Other non-</u> -None- <u>listed companies</u></p>

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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 member The Appointment date as a management: 1 st Apr 2009	50	MBA (Finance) Eastern Michigan University, Michigan, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 member The Appointment date as a management: 2 nd Sep 2009	45	MBA, Cleveland State University, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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> <u>listed companies</u> May 2017 - Present Director The Thai Bond Market Association

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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>17) Ms. Patchpon Sankaburanuruk</p> <p>Position in the Company: -Managing Director, Investment Banking Department - Risk Management Committee member</p> <p>The Appointment date as a management : 1st May 2012</p>	47	MBA, Finance University of Hartford, USA.	<p>Beginning of the year = 0%</p> <p>Ending of the year = 0%</p> <p>(No trading transaction in 2017)</p>	-None-	<p><u>Work experiences</u></p> <p>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.</p> <p>Jun 1999 - May 2002 Assistant Manager Investment Banking Department Vickers Ballas Securities (Thailand) Co, Ltd</p> <p>Feb 1996 - Oct 1998 Manager Investment Banking Department Cathay Capital Co, Ltd</p> <p>Jan 1995 - Jan 1996 Officer Investment Banking Department Multi-Credit Corporation of Thailand Pcl.</p> <p><u>Position in Other listed companies</u> -None-</p> <p><u>Position in Other non- listed companies</u> -None-</p>
<p>18) Mr. Jenvit Chinkulkitniwat</p> <p>Position in the Company: - Managing Director, Equity Derivatives Department - Risk Management Committee member</p> <p>The Appointment date as a management : 1st Apr 2014</p>	38	Master of Science in Finance, University of Illinois, USA	<p>Beginning of the year = 0%</p> <p>Ending of the year = 0%</p> <p>(No trading transaction in 2017)</p>	-None-	<p><u>Work experiences</u></p> <p>Apr 2014 - Apr 2016 Executive Vice President (Year 2014-2016)</p> <p>Nov 2005 - Mar 2014 Senior Vice President (Year 2005-2014) Equity Derivatives Department KGI Securities (Thailand) Plc.</p> <p><u>Position in Other listed companies</u> -None-</p> <p><u>Position in Other non- listed companies</u> -None-</p>

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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 member - Debt Recovery Committee member - Purchase Committee member - Welfare Committee member - Health and Environment Committee member The Appointment date as a management : 1 st Mar 2001	55	MBA, Strayer University, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 listed companies</u> -None- <u>Position in Other non-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 - Welfare Committee member The Appointment date as a management : 20 th Nov 2000	64	Bachelor of Business Administration, Chulalongkorn University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-None-	<u>Work experiences</u> 1994 - 1999 SCCF Finance & Securities 1991 - 1994 JF Thanakom Securities Limited <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 2017)

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 -Welfare Committee member The Appointment date as a management : 1 st May 2011	58	Bachelor Economics, University of the Thai Chamber of Commerce, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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	58	Bachelor of Economics, Thammasat University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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	49	Bachelor of Arts, Valaya Alongkorn Rajabhat University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 -Welfare Committee member The Appointment date as a management: 1 st Apr 2014	52	MBA, National University, USA	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 2017)

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	51	-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 2017)	-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	55	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 2017)	-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 member The Appointment date as a management: 1 st May 2015	45	MBA, Assumption University, Thailand	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 2017)

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 member - Human Resource Committee member - Disciplinary Committee member - ESOP Committee member - Corporate Governance Committee member The Appointment date as a management: 18 th Aug 2014	46	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 2017)	-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 member - Debt Recovery Committee member The Appointment date as a management : 1 st Apr 2008	52	Master of Accountancy, Financial Accounting, Chulalongkorn University, Thailand.	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 member The Appointment date as a management : 1 st May 2012	51	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 2017)	-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 2017)

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	54	- 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 2017)	-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 member - Debt Recovery Committee member - Purchase Committee member - Disciplinary Committee member - Corporate Governance Committee member The Appointment date as a management: 1 st Mar 2013	49	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 2017)	-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

Information of the Company's directors, management and the Company Secretary (As of 31st December 2017)

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 member - Purchase Committee member - Corporate Governance Committee member The Appointment date as a management : 1 st Apr 2008	55	-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 2017)	-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> -None- <u>Position in Other non-listed companies</u> -None-
34) Ms. Suchada Wongrak Position in the Company: -Senior Vice President, Corporate Service Department -Health and Environment Committee member The Appointment date as a management : 1 st Jan 2010	53	BTec Higher National Diploma, south Warwickshire college, England <u>Training Program</u> -Occupational Health, Safety and Environment committee course	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-None-	<u>Work experiences</u> 2000 - 2010 Vice President KGI Securities (Thailand) Plc. 1993-1998 Manager Thai Fuji Finance and Securities Ltd 1990- 1993 Officer Ocean Finance and Securities 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 2017)

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
35) Ms. Chutima Jitbunjong Position in the Company: -Senior Vice President, Risk Management Department - Risk Management Committee member The Appointment date as a management : 16 th Sep 2015	43	Master of Science in Economics; University of Nebraska at Omaha, USA Bachelor of Art in Economics; Thammasat University	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-None-	<u>Work experiences</u> 2015 Senior Vice President Risk Management Dept. Nomura Securities Public Company Limited 2012-2015 Assistant Vice President Operations Dept. DBS Vickers Securities (Thailand) Company Limited Vice President Securities Service Dept. Risk Management Division Asia Plus Securities Public Company Limited 2000-2002 Officer Credit Approval Dept. Bangkok Bank 1994-1995 Officer Credit Approval Dept. Siam General Factoring Public Company Limited <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 2017)

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
36) Ms. Rungthip Vanitchapan Position in the Company: -Senior Vice President, Audit Department -Disciplinary Committee member -Corporate Governance Committee member The Appointment date as a management: 1 st Feb 2016	46	-Master of Communication Arts (Advertising), Bangkok University -Bachelor of Business Administration (Finance), Thammasat University <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)	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-None-	<u>Work experiences</u> Jun. 2006 - Jan 2016 Senior Manager Compliance Department, Thanachart Securities Plc. May 2005- Mar 2006 Marketing Communications Manager, Payment Solution Co., Ltd., (Shin Corporation Group) Nov.2004 - May 2005 Corporate Public Relations Manager, Office of Bangkok Fashion City By Ministry of Industry. Nov.2001- Nov 2004 Marketing Manager, WinStore Co., Ltd. Aug.1995 - Oct. 2000 Senior Officer, Members Supervision & Examination Department The Stock Exchange of Thailand <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-

The position of Directors and Management in subsidiary and related companies (As of 31st December 2017)

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 Pradisakesorn	N	-	-	-
28) Ms. Inchaya Chatchersak	N	-	-	-
29) Ms. Khunmira Thunnom	N, O	-	-	-
30) Ms. Acharee Turongsomboon	N	-	-	-
31) Mr. Sumek Chantrasuriyarat	N	-	-	-
32) Ms. Nantarat Surakkhaka	N	H , E	-	-
33) Ms. Nongluk Ningsanond	N , P	-	-	-
34) Ms. Suchada Wongrak	Q	-	-	-
35) Ms. Chutima Jitbunjong	Q	-	-	-
36) Ms. Rungthip Vanitchapan	Q	-	-	-

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
Q: Senior Vice President

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

Attachment 2

Details of subsidiaries' Directors (As at 31st December 2017)

Details of subsidiaries' Directors (As at 31st December 2017)

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 Surakkhaka	C	-	-
Mr. Wong Sai Hung	B	-	-
Ms. Li Ching Ching	B	-	-

Subsidiaries

ONEAM : One Asset Management Limited

HOLDCO : KGI Securities (Thailand) International Holdings Limited

KTHL : KGI (Thailand) Holdings Limited

Director title

A: Chairman

B: Director

C: Authorized Director

D : Management of Subsidiaries

Attachment 3

**Information of Head of Audit Department,
Head of Legal & Compliance Department,
Head of Finance & Accounting Department
and Accountant Officer**

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 member -Corporate Governance Committee member</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></p> <p>-COSO 2013 Internal Control framework by Federation of Accounting Professions</p> <p>-FATCA Workshop (Foreign Account Tax Compliance Act) 2013 by Association of Securities Companies (ASCO)</p> <p>-The Anti-Money Laundering Act and Financial support for terrorism Act. 1999 by the Anti-Money Laundering Office (AMLO)</p> <p>-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 2017)</p>	-None-	<p><u>Work experiences</u></p> <p>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></p> <p>-None-</p> <p><u>Position in Other non-listed companies</u></p> <p>-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.

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 *	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 2017)	-None-	<p><u>Work experiences</u></p> <p>Jan 2010 - Feb 2013 Senior Vice President COO Office (Corporate Strategy) KGI Securities (Thailand) Plc.</p> <p>Jun 2005 - Aug 2006 Vice President, Legal and Debt Recovery Division KGI Securities (Thailand) Plc.</p> <p>Apr 1996 - May 2005 Legal Officer The Office of the Securities and Exchange Commission</p> <p><u>Position in Other listed companies</u></p> <p>-None-</p> <p><u>Position in Other non-listed companies</u></p> <p>Nov 2011 - Present Authorized Director One Asset Management Limited</p>
Position in the Company: -Executive Vice President, COO Office Support Department - Risk Management Committee member - Debt Recovery Committee member - Purchase Committee member - Disciplinary Committee member - Corporate Governance Committee member The Appointment date as a management: 1 st Mar 2013					

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.

Head of Finance & Accounting 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. 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	52	Master of Accountancy, Financial Accounting, Chulalongkorn University, Thailand. Certified Public Accountant (Thailand), Registration No. 3973 <u>Training Program</u> - CFO Certification Program – Class 1/2004 by Institute of Certified Accountants and Auditors of Thailand (change to Federation of Accounting Professions of Thailand)	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-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 (change company name to EY Office Company Limited) <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-

Duty and responsibilities;

1. To manage and develop accounting and financial information system, and supervise the accountant officer in order to ensure that the Company's financial statements present fairly in accordance with Thai financial reporting standards and prepare on time.
2. To report the Company's statements of financial position & financial performance, other financial information, adequate internal control system and audit results of the auditor to Audit Committee, Board of Directors and Shareholders
3. To analyze accounting & financial information and other information related, including adequacy of liquidity and a net capital ratio of the Company in order to provide necessary suggestions to CEO and executive directors for the decision making on business operation to meet the corporate strategy and plan.
4. To prepare and control the annual financial budget of the Company in accordance with each business strategy and plan, including the budget of capital expenditure in new technology system development, funding usage projection and headcount budget plan. In addition, together with Treasury Department, to provide sufficient capital for the business operation according to the budget plan and coordinate with Human Resource Department to control the headcount regarding the budget plan.
5. To prepare and analyze the three-year financial projection including the business plan and risk controls of the Company to ensure that the company credit rating is able to be retained or developed in future.
6. To have role and responsibilities in Risk Management Committee including the Sub-Committee s which are Credit Risk Sub-Committee, Trading Business Risk Sub-Committee, Investment Banking Business Risk Sub-Committee, and ISMS Management Sub-Committee.
7. To have role and responsibilities in Debt Recovery Committee.
8. To coordinate and collaborate with the management of various departments to drive the Company's plan and strategy for achievement.
9. To communicate important financial information to any related party investors or shareholders to build a good understanding and confidence in the Company.
10. Other activities regarding assignment.

Accountant Officer

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. Wipha Katikubanan Position in the Company: -Senior Vice President, Finance and Accounting Department - Health and Environment Committee member The Appointment date as a accountant : 26 th Apr 2016	49	Master of Accountancy, Financial Accounting, Chulalongkorn University, Thailand. <u>Training Program</u> In 2017 -TFRS9 Financial Instruments by SEC - TAS12 Income taxes by FAP - TAS17 Leases by FAP In-House Training -Cyber Security Awareness	Beginning of the year = 0% Ending of the year = 0% (No trading transaction in 2017)	-None-	<u>Work experiences</u> 1999 - Apr 2016 -Vice President (2001 - 2016) -Assistant Vice President (1999 - 2001) Finance & Accounting Department KGI Securities (Thailand) Plc. 1991 - 1994 KPMG Peat Marwick Suthee (change company name to KPMG Phoomchai Audit Ltd.) <u>Position in Other listed companies</u> -None- <u>Position in Other non-listed companies</u> -None-

Duty and responsibilities:

1. To prepare accounts for reflecting the current operation results, financial position or change in financial position of the Company with the accounting duty in accordance with reality and accounting standards, with proper and complete supporting documents used for making entries in accounts.
2. To prepare financial statements in accordance with accounting standards and the Regulation of The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).
3. To arrange financial statements to be audited and accompanied by an opinion of a certificated auditor.
4. To submit the reports relating to financial information in accordance with the regulators such as Ministry of Commerce, Revenue Department , The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC).
5. To retain accounts and supporting documents used for making entries in accounts.
6. To develop and evaluate relevant internal controls, financial information technology system to obtain sufficient appropriate financial information in accordance with reality, accounting standards and the Regulation of The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission (SEC) with no material misstatement of financial information, whether due to fraud or error.
7. To prepare properly and submit tax to Revenue Department on time.
8. To develop staff skills to be up-to-date in accounting and business knowledge.
9. Other activities as assigned by CFO.

Attachment 4

**Underlying company information of the remaining DWs
and History of DW issued by the Company for the
past 2 years (2016 - 2017)**

Underlying company information of the remaining DWs and History of DW issued by the Company for the past 2 years (2016 - 2017)

Underlying company information of the remaining DWs

Underlying company information of the remaining DWs (from Underlying company's website as of 31st December 2017) 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	AMATA	AMATA CORPORATION PUBLIC COMPANY LIMITED	http://www.amata.com
4	AOT	AIRPORTS OF THAILAND PUBLIC COMPANY LIMITED	www.airportthai.co.th
5	BA	BANGKOK AIRWAYS PUBLIC COMPANY LIMITED	http://www.bangkokair.com
6	BANPU	BANPU PUBLIC COMPANY LIMITED	http://www.banpu.com
7	BBL	BANGKOK BANK PUBLIC COMPANY LIMITED	www.bangkokbank.com
8	BCH	BANGKOK CHAIN HOSPITAL PUBLIC COMPANY LIMITED	www.bangkokchainhospital.com
9	BCP	BANGCHAK CORPORATION PUBLIC COMPANY LIMITED	http://www.bangchak.co.th
10	BCPG	BCPG PUBLIC COMPANY LIMITED	www.bcpvgroup.com
11	BDMS	BANGKOK DUSIT MEDICAL SERVICES PUBLIC COMPANY LIMITED	www.bangkokhospital.com
12	BEAUTY	BEAUTY COMMUNITY PUBLIC COMPANY LIMITED	www.beautycommunity.co.th
13	BEC	BEC WORLD PUBLIC COMPANY LIMITED	www.becworld.com
14	BEM	BANGKOK EXPRESSWAY AND METRO PUBLIC COMPANY LIMITED	www.bemplc.co.th
15	BH	BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED	www.bumrungrad.com
16	BIG	BIG CAMERA CORPORATION PUBLIC COMPANY LIMITED	www.bigcamera.co.th
17	BJC	BERLI JUCKER PUBLIC COMPANY LIMITED	www.bjc.co.th
18	BLA	BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED	www.bangkoklife.com
19	BPP	BANPU POWER PUBLIC COMPANY LIMITED	www.banpupower.com
20	CBG	CARABAO GROUP PUBLIC COMPANY LIMITED	www.carabaogroup.com
21	CHG	CHULARAT HOSPITAL PUBLIC COMPANY LIMITED	www.chularat.com
22	CK	CH. KARNCHANG PUBLIC COMPANY LIMITED	http://www.ch-karnchang.co.th
23	CKP	CK POWER PUBLIC COMPANY LIMITED	www.ckpower.co.th
24	COM7	COM7 PUBLIC COMPANY LIMITED	www.comseven.com
25	CPALL	CP ALL PUBLIC COMPANY LIMITED	www.cpal.co.th
26	CPF	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	www.cpfworldwide.com
27	CPN	CENTRAL PATTANA PUBLIC COMPANY LIMITED	www.cpn.co.th
28	DELTA	DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED	http://www.deltathailand.com
29	DTAC	TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED	www.dtac.co.th
30	EA	ENERGY ABSOLUTE PUBLIC COMPANY LIMITED	http://www.energyabsolute.co.th

Underlying company information of the remaining DWs (Continue)

No	Stocks	Company's name	Website
31	EGCO	ELECTRICITY GENERATING PUBLIC COMPANY LIMITED	http://www.egco.com
32	EPG	EASTERN POLYMER GROUP PUBLIC COMPANY LIMITED	www.epg.co.th
33	GFPT	GFPT PUBLIC COMPANY LIMITED	www.gfpt.co.th
34	GLOW	GLOW ENERGY PUBLIC COMPANY LIMITED	www.glow.co.th
35	GPSC	GLOBAL POWER SYNERGY PUBLIC COMPANY LIMITED	http://www.gpscgroup.com
36	GUNKUL	GUNKUL ENGINEERING PUBLIC COMPANY LIMITED	http://www.gunkul.com
37	HANA	HANA MICROELECTRONICS PUBLIC COMPANY LIMITED	www.hanagroup.com
38	INTUCH	INTOUCH HOLDINGS PUBLIC COMPANY LIMITED	www.intouchcompany.com
39	IRPC	IRPC PUBLIC COMPANY LIMITED	www.irpc.co.th
40	ITD	ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED	http://www.itd.co.th
41	IVL	INDORAMA VENTURES PUBLIC COMPANY LIMITED	www.indoramaventures.com
42	KBANK	KASIKORNBANK PUBLIC COMPANY LIMITED	www.kasikornbank.com
43	KCE	KCE ELECTRONICS PUBLIC COMPANY LIMITED	www.kcehai.in.th
44	KKP	KIATNAKIN BANK PUBLIC COMPANY LIMITED	http://kiatnakin.co.th
45	KTB	KRUNG THAI BANK PUBLIC COMPANY LIMITED	http://www.ktb.co.th
46	KTC	KRUNGTHAI CARD PUBLIC COMPANY LIMITED	www.ktc.co.th
47	MALEE	MALEE GROUP PUBLIC COMPANY LIMITED	http://www.malee.co.th
48	MEGA	MEGA LIFESCIENCES PUBLIC COMPANY LIMITED	www.megawecare.com
49	MINT	MINOR INTERNATIONAL PUBLIC COMPANY LIMITED	www.minorinternational.com
50	MTLS	MUANGTHAI LEASING PUBLIC COMPANY LIMITED	www.muangthaileasing.co.th
51	PLANB	PLAN B MEDIA PUBLIC COMPANY LIMITED	www.planbmedia.co.th
52	PTG	PTG ENERGY PUBLIC COMPANY LIMITED	www.ptgenergy.co.th
53	PTL	POLYPLEX (THAILAND) PUBLIC COMPANY LIMITED	www.polyplexthailand.com
54	PTT	PTT PUBLIC COMPANY LIMITED	http://www.pttplc.com
55	PTTEP	PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED	www.pttep.com
56	PTTGC	PTT GLOBAL CHEMICAL PUBLIC COMPANY LIMITED	www.pttgcgroup.com
57	ROBINS	ROBINSON PUBLIC COMPANY LIMITED	http://robins.listedcompany.com
58	S	SINGHA ESTATE PUBLIC COMPANY LIMITED	http://www.singhaestate.co.th
59	SAMART	SAMART CORPORATION PUBLIC COMPANY LIMITED	www.samartcorp.com
60	SAWAD	SRISAWAD CORPORATION PUBLIC COMPANY LIMITED	http://www.meebaanmeerod.com
61	SCB	THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED	www.scb.co.th
62	SCC	THE SIAM CEMENT PUBLIC COMPANY LIMITED	www.scg.com
63	SCCC	SIAM CITY CEMENT PUBLIC COMPANY LIMITED	http://www.siamcitycement.com

Underlying company information of the remaining DWs (Continue)

No	Stocks	Company's name	Website
64	SGP	SIAMGAS AND PETROCHEMICALS PUBLIC COMPANY LIMITED	www.siamgas.com
65	SIRI	SANSIRI PUBLIC COMPANY LIMITED	http://www.sansiri.com
66	SPCG	SPCG PUBLIC COMPANY LIMITED	www.spcg.co.th
67	SPRC	STAR PETROLEUM REFINING PUBLIC COMPANY LIMITED	www.sprc.co.th
68	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC CO.,LTD.	www.stecon.co.th
69	SUPER	SUPERBLOCK PUBLIC COMPANY LIMITED	www.superblockthailand.com
70	TASCO	TIPCO ASPHALT PUBLIC COMPANY LIMITED	http://www.tipcoasphalt.com
71	TCAP	THANACHART CAPITAL PUBLIC COMPANY LIMITED	www.thanachart.co.th
72	THAI	THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED	http://www.thaiairways.com
73	THANI	RATCHTHANI LEASING PUBLIC COMPANY LIMITED	www.ratchthani.com
74	THCOM	THAICOM PUBLIC COMPANY LIMITED	www.thaicom.net
75	TISCO	TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED	http://www.tisco.co.th
76	TKN	TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED	www.taokaenoi.co.th
77	TOP	THAI OIL PUBLIC COMPANY LIMITED	www.thaioilgroup.com
78	TPIPL	TPI POLENE PUBLIC COMPANY LIMITED	http://www.tpipolene.co.th
79	TTA	THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED	http://www.thoresen.com
80	TTCL	TTCL PUBLIC COMPANY LIMITED	www.ttcl.com
81	TU	THAI UNION GROUP PUBLIC COMPANY LIMITED	http://www.thaiuniongroup.com
82	TVO	THAI VEGETABLE OIL PUBLIC COMPANY LIMITED	www.tvothai.com
83	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	http://www.unique.co.th
84	VIBHA	VIBHAVADI MEDICAL CENTER PUBLIC COMPANY LIMITED	http://www.vibhavadi.com
85	VNG	VANACHAI GROUP PUBLIC COMPANY LIMITED	www.vanachai.com
86	WHA	WHA CORPORATION PUBLIC COMPANY LIMITED	www.wha.co.th
87	WORK	WORKPOINT ENTERTAINMENT PUBLIC COMPANY LIMITED	http://www.workpoint.co.th
88	TRUE	TRUE CORPORATION PUBLIC COMPANY LIMITED	http://www.truecorp.co.th

History of DW issued by the Company for the past 2 years (2016-2017)

No.	Name of DW	First Trading Date	Maturity Date
1	DTAC13P1606A	6 January 2016	7 June 2016
2	DTAC13C1606A	6 January 2016	7 June 2016
3	ADVA13P1606A	6 January 2016	7 June 2016
4	ADVA13C1606A	6 January 2016	7 June 2016
5	TRUE13P1606A	7 January 2016	7 June 2016
6	TRUE13C1606A	7 January 2016	7 June 2016
7	PTT13P1607A	8 January 2016	5 July 2016
8	PTT13C1607A	8 January 2016	5 July 2016
9	EPG13C1606A	8 January 2016	15 June 2016
10	KBAN13C1606A	13 January 2016	22 June 2016
11	BBL13C1606A	13 January 2016	22 June 2016
12	BANP13C1609A	13 January 2016	30 September 2016
13	INTU13P1606A	14 January 2016	3 June 2016
14	INTU13C1606A	14 January 2016	3 June 2016
15	ADVA13C1605B	14 January 2016	12 May 2016
16	S5013C1603C	15 January 2016	30 March 2016
17	S5013P1603B	15 January 2016	30 March 2016
18	S5013C1603B	15 January 2016	30 March 2016
19	PTTG13C1606A	18 January 2016	10 June 2016
20	IVL13C1606A	18 January 2016	10 June 2016
21	TASC13C1607A	19 January 2016	13 July 2016
22	SCC13C1607A	29 January 2016	13 July 2016
23	JAS13C1607A	29 January 2016	13 July 2016
24	CHG13C1608A	29 January 2016	2 August 2016
25	KTC13C1608A	9 February 2016	16 August 2016
26	IRPC13C1608A	9 February 2016	16 August 2016
27	CPF13C1608A	9 February 2016	18 August 2016
28	AOT13C1608A	9 February 2016	18 August 2016
29	S5013P1606B	12 February 2016	29 June 2016
30	S5013C1606B	12 February 2016	29 June 2016
31	S5013P1606A	12 February 2016	29 June 2016
32	S5013C1606A	12 February 2016	29 June 2016
33	CKP13C1609A	15 February 2016	16 September 2016
34	KBAN13P1607A	23 February 2016	21 July 2016
35	ITD13P1607A	23 February 2016	21 July 2016
36	AAV13C1607A	23 February 2016	21 July 2016
37	AOT13P1608A	26 February 2016	5 August 2016
38	THAI13C1609A	26 February 2016	16 September 2016
39	CK13C1608A	26 February 2016	25 August 2016
40	TASC13C1608A	3 March 2016	25 August 2016
41	TRUE13C1608A	4 March 2016	18 August 2016
42	KTBI3C1610A	4 March 2016	19 October 2016
43	ITD13C1609A	4 March 2016	22 September 2016
44	RS13C1609A	7 March 2016	22 September 2016
45	S5013P1606C	8 March 2016	29 June 2016
46	S5013C1606C	8 March 2016	29 June 2016
47	DTAC13C1609A	11 March 2016	9 September 2016
48	PTTE13C1608A	14 March 2016	18 August 2016

No.	Name of DW	First Trading Date	Maturity Date
49	GUNK13C1608A	16 March 2016	18 August 2016
50	SCC13C1610A	21 March 2016	13 October 2016
51	PTTE13P1608A	28 March 2016	18 August 2016
52	PTT13C1608A	29 March 2016	23 August 2016
53	ADVA13C1610A	29 March 2016	20 October 2016
54	S5013P1606D	5 April 2016	29 June 2016
55	S5013C1606D	5 April 2016	29 June 2016
56	STEC13C1610A	7 April 2016	20 October 2016
57	CK13C1610A	7 April 2016	20 October 2016
58	ADVA13P1610A	8 April 2016	20 October 2016
59	BDM13C1610A	8 April 2016	20 October 2016
60	TTA13C1610A	20 April 2016	27 October 2016
61	JAS13C1610A	20 April 2016	27 October 2016
62	IVL13C1612A	29 April 2016	16 December 2016
63	GPSC13C1612A	29 April 2016	16 December 2016
64	BANP13C1612A	29 April 2016	16 December 2016
65	PTT13P1612A	3 May 2016	22 December 2016
66	TASC13C1612A	3 May 2016	22 December 2016
67	IRPC13C1612A	3 May 2016	22 December 2016
68	INTU13C1612A	3 May 2016	22 December 2016
69	SCB13C1612A	9 May 2016	22 December 2016
70	PTTE13C1610A	9 May 2016	13 October 2016
71	GL13C1612A	9 May 2016	22 December 2016
72	S5013P1609A	10 May 2016	29 September 2016
73	S5013C1609A	10 May 2016	29 September 2016
74	PTT13P1611A	16 May 2016	30 November 2016
75	BBL13P1611A	16 May 2016	30 November 2016
76	ADVA13P1611A	16 May 2016	30 November 2016
77	TOP13C1611A	16 May 2016	30 November 2016
78	SCC13C1611A	16 May 2016	30 November 2016
79	PTT13C1611A	16 May 2016	30 November 2016
80	KBAN13C1611A	16 May 2016	30 November 2016
81	ITD13C1611A	16 May 2016	30 November 2016
82	INTU13C1611A	16 May 2016	30 November 2016
83	BBL13C1611A	16 May 2016	30 November 2016
84	BANP13C1611A	16 May 2016	30 November 2016
85	AOT13C1611A	16 May 2016	30 November 2016
86	ADVA13C1611A	16 May 2016	30 November 2016
87	S5013P1609B	18 May 2016	29 September 2016
88	S5013C1609B	18 May 2016	29 September 2016
89	CPF13C1612A	18 May 2016	22 December 2016
90	TRUE13P1612A	30 May 2016	15 December 2016
91	TPIP13C1612A	30 May 2016	15 December 2016
92	PTTG13C1611A	30 May 2016	30 November 2016
93	PTTE13P1611A	31 May 2016	30 November 2016
94	PTTE13C1611A	31 May 2016	30 November 2016
95	THAI13C1612A	1 June 2016	2 December 2016
99	TRUE13C1612A	3 June 2016	15 December 2016
100	DTAC13C1612A	3 June 2016	15 December 2016
96	S5013P1609C	6 June 2016	29 September 2016

No.	Name of DW	First Trading Date	Maturity Date
97	S5013C1609C	6 June 2016	29 September 2016
98	WHA13C1612A	6 June 2016	16 December 2016
101	GL13C1701A	9 June 2016	12 January 2017
102	VNG13C1701A	10 June 2016	12 January 2017
103	JAS13C1612A	16 June 2016	16 December 2016
104	EPG13C1612A	21 June 2016	19 December 2016
105	CPAL13C1611A	21 June 2016	30 November 2016
106	BANP13P1612A	23 June 2016	16 December 2016
107	THCO13C1701A	23 June 2016	12 January 2017
108	SCB13P1611A	24 June 2016	30 November 2016
109	KBAN13P1611A	24 June 2016	30 November 2016
110	MINT13C1701A	24 June 2016	12 January 2017
111	AAV13C1612A	24 June 2016	16 December 2016
112	THAI13C1701A	29 June 2016	12 January 2017
113	UV13C1706A	30 June 2016	22 June 2017
114	PLAT13C1706A	30 June 2016	22 June 2017
115	JAS13C1709A	30 June 2016	13 September 2017
116	JAS13C1707A	30 June 2016	14 July 2017
117	JAS13C1706A	30 June 2016	22 June 2017
118	S5013P1609D	4 July 2016	29 September 2016
119	S5013C1609D	4 July 2016	29 September 2016
120	ITD13C1701A	5 July 2016	20 January 2017
121	BANP13C1701A	5 July 2016	20 January 2017
122	KTC13C1701A	7 July 2016	20 January 2017
123	ADVA13C1701A	7 July 2016	12 January 2017
124	THAI13C1702A	7 July 2016	3 February 2017
125	BEM13C1701A	7 July 2016	20 January 2017
126	TTA13C1701A	12 July 2016	17 January 2017
127	CKP13C1701A	12 July 2016	17 January 2017
128	BCH13C1701A	12 July 2016	17 January 2017
129	S5013P1609E	14 July 2016	29 September 2016
130	S5013C1609E	14 July 2016	29 September 2016
131	TRUE13C1701A	15 July 2016	17 January 2017
132	DTAC13P1612A	15 July 2016	15 December 2016
133	STEC13C1701A	20 July 2016	19 January 2017
134	SAWA13C1701A	20 July 2016	19 January 2017
135	DTAC13C1701A	20 July 2016	19 January 2017
136	TRUE13P1701A	21 July 2016	17 January 2017
137	CHG13C1701A	21 July 2016	17 January 2017
138	PTT13P1701A	25 July 2016	10 January 2017
139	PTT13C1612A	25 July 2016	22 December 2016
140	IRPC13C1701A	25 July 2016	10 January 2017
141	GL13C1702A	25 July 2016	16 February 2017
142	S5013P1611A	2 August 2016	29 November 2016
143	S5013C1611A	2 August 2016	29 November 2016
144	BA13C1701A	10 August 2016	19 January 2017
147	KCE13C1702A	15 August 2016	16 February 2017
148	CBG13C1702A	15 August 2016	16 February 2017
149	AOT13C1701A	15 August 2016	24 January 2017
145	S5013P1612A	16 August 2016	29 December 2016

No.	Name of DW	First Trading Date	Maturity Date
146	S5013C1612A	16 August 2016	29 December 2016
150	IFEC13C1702A	18 August 2016	14 February 2017
151	BEAU13C1702A	30 August 2016	14 February 2017
152	BA13C1702A	30 August 2016	3 February 2017
153	S5013P1612B	2 September 2016	29 December 2016
154	S5013C1612B	2 September 2016	29 December 2016
155	KTC13C1702A	6 September 2016	22 February 2017
156	CPAL13C1702A	6 September 2016	22 February 2017
157	CBG13C1703A	6 September 2016	3 March 2017
158	S5013P1612C	19 September 2016	29 December 2016
159	S5013C1612C	19 September 2016	29 December 2016
160	CPF13C1705A	20 September 2016	31 May 2017
161	BANP13C1705A	20 September 2016	31 May 2017
162	CK13C1703A	20 September 2016	17 March 2017
163	SCC13C1705A	21 September 2016	31 May 2017
164	SCB13C1705A	21 September 2016	31 May 2017
165	PTT13C1705A	21 September 2016	31 May 2017
166	KBAN13C1705A	21 September 2016	31 May 2017
167	TASC13C1703A	22 September 2016	17 March 2017
168	ITD13C1703A	22 September 2016	17 March 2017
169	PTG13C1703A	22 September 2016	17 March 2017
170	CHG13C1703A	22 September 2016	17 March 2017
171	TRUE13C1703A	30 September 2016	9 March 2017
172	PTTE13C1703A	5 October 2016	9 March 2017
173	KTB13C1705A	5 October 2016	31 May 2017
174	BDMS13C1703A	5 October 2016	9 March 2017
175	TTA13C1704A	14 October 2016	27 April 2017
176	TISC13C1704A	14 October 2016	27 April 2017
177	S5013P1612D	17 October 2016	29 December 2016
178	S5013C1612D	17 October 2016	29 December 2016
179	S5013P1612E	19 October 2016	29 December 2016
180	BANP13P1704A	21 October 2016	27 April 2017
181	STEC13C1704A	21 October 2016	27 April 2017
182	IFEC13C1704A	21 October 2016	27 April 2017
183	BANP13C1704A	21 October 2016	27 April 2017
184	ADVA13C1705A	21 October 2016	31 May 2017
185	PTT13P1705A	27 October 2016	31 May 2017
186	WHA13C1704A	27 October 2016	27 April 2017
187	BEAU13C1704A	27 October 2016	27 April 2017
188	AOT13C1703A	3 November 2016	30 March 2017
189	S5013P1612F	4 November 2016	29 December 2016
190	S5013C1612E	4 November 2016	29 December 2016
191	IVL13C1704A	8 November 2016	20 April 2017
192	STPI13C1704A	10 November 2016	20 April 2017
193	PTTG13C1705A	14 November 2016	31 May 2017
194	INTU13C1705A	14 November 2016	31 May 2017
195	BBL13C1706A	14 November 2016	7 June 2017
196	SCB13P1705A	15 November 2016	31 May 2017
197	BBL13P1706A	15 November 2016	7 June 2017
198	TOP13C1705A	15 November 2016	31 May 2017

No.	Name of DW	First Trading Date	Maturity Date
201	KBAN13P1705A	16 November 2016	31 May 2017
202	ADVA13P1705A	16 November 2016	31 May 2017
199	PTTE13P1705A	17 November 2016	31 May 2017
200	DTAC13P1704A	17 November 2016	20 April 2017
203	S5013P1703A	18 November 2016	30 March 2017
204	S5013C1703A	18 November 2016	30 March 2017
205	MTLS13C1704A	18 November 2016	20 April 2017
206	DTAC13C1704A	18 November 2016	20 April 2017
207	VNG13C1706A	22 November 2016	7 June 2017
208	TPIP13C1706A	22 November 2016	7 June 2017
209	TASC13C1706A	22 November 2016	7 June 2017
210	SCC13P1705A	24 November 2016	31 May 2017
211	AOT13P1706A	24 November 2016	7 June 2017
212	ITD13C1706A	24 November 2016	7 June 2017
213	S5013P1703B	25 November 2016	30 March 2017
214	S5013C1703B	25 November 2016	30 March 2017
215	SAWA13C1706A	29 November 2016	14 June 2017
216	EPG13C1706A	29 November 2016	14 June 2017
217	AAV13C1706A	29 November 2016	14 June 2017
218	MTLS13C1706A	30 November 2016	14 June 2017
219	THAI13C1704A	1 December 2016	27 April 2017
220	KCE13C1706A	1 December 2016	14 June 2017
221	GL13C1706A	1 December 2016	14 June 2017
222	STEC13C1706A	2 December 2016	21 June 2017
223	GUNK13C1706A	2 December 2016	21 June 2017
224	GPSC13C1706A	2 December 2016	21 June 2017
225	VGI13C1706A	9 December 2016	13 June 2017
226	BTS13C1706A	9 December 2016	13 June 2017
227	S5013P1703C	9 December 2016	30 March 2017
228	S5013C1703C	9 December 2016	30 March 2017
229	TRUE13P1706A	14 December 2016	13 June 2017
230	IVL13C1705A	14 December 2016	31 May 2017
231	ITD13C1707A	14 December 2016	4 July 2017
232	BEM13C1707A	16 December 2016	12 July 2017
233	BCH13C1707A	16 December 2016	12 July 2017
234	BA13C1707A	16 December 2016	12 July 2017
235	ADVA13C1707A	16 December 2016	12 July 2017
236	PTT13C1707A	19 December 2016	12 July 2017
237	IRPC13C1707A	19 December 2016	12 July 2017
238	CKP13C1707A	19 December 2016	12 July 2017
239	GL13C1707A	21 December 2016	12 July 2017
240	UNIQ13C1706A	21 December 2016	7 June 2017
241	TRUE13C1706A	27 December 2016	13 June 2017
242	THAI13C1706A	27 December 2016	13 June 2017
243	S5013P1703D	28 December 2016	30 March 2017
244	S5013C1703D	28 December 2016	30 March 2017
245	GL13C1710A	30 December 2016	20 October 2017
246	GL13C1709A	30 December 2016	27 September 2017
247	WORK13C1709A	30 December 2016	27 September 2017
248	ERW13C1709A	30 December 2016	27 September 2017

No.	Name of DW	First Trading Date	Maturity Date
249	IVL13C1707A	9 January 2017	19 July 2017
250	TKN13C1707A	10 January 2017	19 July 2017
251	SPRC13C1707A	10 January 2017	19 July 2017
252	THCO13C1708A	12 January 2017	9 August 2017
253	SCC13C1708A	12 January 2017	9 August 2017
254	KTC13C1708A	12 January 2017	9 August 2017
255	IRPC13C1708A	12 January 2017	9 August 2017
256	CPF13C1708A	12 January 2017	9 August 2017
257	CPAL13C1708A	12 January 2017	9 August 2017
258	CBG13C1708A	12 January 2017	9 August 2017
259	GUNK13C1708A	13 January 2017	9 August 2017
260	TTA13C1707A	19 January 2017	19 July 2017
261	TPIP13C1708A	25 January 2017	17 August 2017
262	DTAC13C1708A	25 January 2017	17 August 2017
263	SAMA13C1708A	26 January 2017	17 August 2017
264	PTT13C1708A	27 January 2017	17 August 2017
265	CHG13C1708A	30 January 2017	22 August 2017
266	S5013P1703E	30 January 2017	30 March 2017
267	S5013C1703E	30 January 2017	30 March 2017
268	DTAC13P1708A	31 January 2017	17 August 2017
269	PTTE13C1708A	2 February 2017	29 August 2017
270	S5013P1703F	2 February 2017	30 March 2017
271	S5013C1703F	2 February 2017	30 March 2017
272	VIBH13C1709A	6 February 2017	13 September 2017
273	PTG13C1709A	6 February 2017	13 September 2017
274	CK13C1709A	6 February 2017	13 September 2017
275	BEAU13C1709A	6 February 2017	13 September 2017
276	LPN13C1709A	7 February 2017	13 September 2017
277	S5013P1705A	7 February 2017	30 May 2017
278	S5013C1705A	7 February 2017	30 May 2017
279	AOT13C1708A	8 February 2017	29 August 2017
280	KKP13C1709A	10 February 2017	27 September 2017
281	TASC13C1709A	14 February 2017	27 September 2017
282	TRUE13C1709A	14 February 2017	27 September 2017
283	STPI13C1709A	14 February 2017	27 September 2017
284	MINT13C1709A	14 February 2017	27 September 2017
285	BDMS13C1709A	14 February 2017	27 September 2017
286	CBG13P1709A	15 February 2017	13 September 2017
287	AOT13P1708A	17 February 2017	29 August 2017
288	TISC13C1709A	23 February 2017	5 September 2017
289	PTTE13C1709A	23 February 2017	5 September 2017
290	BLA13C1709A	23 February 2017	5 September 2017
291	S5013P1706A	2 March 2017	29 June 2017
292	S5013C1706A	2 March 2017	29 June 2017
293	S5013P1706B	3 March 2017	29 June 2017
294	S5013C1706B	3 March 2017	29 June 2017
295	CBG13C1709A	6 March 2017	27 September 2017
296	BANP13C1709A	6 March 2017	27 September 2017
297	THAI13C1710A	8 March 2017	5 October 2017
298	KCE13C1710A	13 March 2017	12 October 2017

No.	Name of DW	First Trading Date	Maturity Date
299	UNIQ13C1710A	14 March 2017	12 October 2017
300	PTG13C1710A	14 March 2017	12 October 2017
301	BCH13C1710A	14 March 2017	12 October 2017
302	S5013P1706C	17 March 2017	29 June 2017
303	S5013C1706C	17 March 2017	29 June 2017
304	WHA13C1710A	21 March 2017	27 October 2017
305	KCE13C1709A	21 March 2017	29 September 2017
306	GPSC13C1710A	27 March 2017	27 October 2017
307	IVL13C1710A	29 March 2017	27 October 2017
308	CPF13C1712A	29 March 2017	8 December 2017
309	ADVA13C1710A	29 March 2017	27 October 2017
310	IVL13P1710A	30 March 2017	27 October 2017
311	BANP13P1712A	30 March 2017	8 December 2017
312	ADVA13P1711A	30 March 2017	30 November 2017
313	S5013P1706D	31 March 2017	29 June 2017
314	S5013C1706D	31 March 2017	29 June 2017
315	BBL13P1712A	17 April 2017	13 December 2017
316	STEC13C1712A	17 April 2017	13 December 2017
317	KTB13C1712A	17 April 2017	13 December 2017
318	EPG13C1712A	17 April 2017	13 December 2017
319	DTAC13C1712A	17 April 2017	13 December 2017
320	CPAL13C1712A	17 April 2017	13 December 2017
321	SUPE13C1712A	24 April 2017	22 December 2017
322	VNG13C1712A	24 April 2017	22 December 2017
323	TTA13C1712A	24 April 2017	22 December 2017
324	ITD13C1712A	24 April 2017	22 December 2017
325	BEM13C1712A	24 April 2017	22 December 2017
326	PTTE13P1712A	25 April 2017	22 December 2017
327	TOP13C1712A	25 April 2017	22 December 2017
328	PTTG13C1712A	25 April 2017	22 December 2017
329	INTU13C1712A	25 April 2017	22 December 2017
330	CHG13C1712A	25 April 2017	22 December 2017
331	TKN13C1712A	27 April 2017	21 December 2017
332	SCC13C1711A	27 April 2017	30 November 2017
333	SCB13C1711A	27 April 2017	30 November 2017
334	PTT13C1711A	27 April 2017	30 November 2017
335	KBAN13C1711A	27 April 2017	30 November 2017
336	ADVA13C1711A	27 April 2017	30 November 2017
337	SCC13P1711A	2 May 2017	30 November 2017
338	SCB13P1711A	2 May 2017	30 November 2017
339	PTT13P1711A	2 May 2017	30 November 2017
340	KBAN13P1711A	2 May 2017	30 November 2017
341	GUNK13C1712A	3 May 2017	21 December 2017
342	AAV13C1712A	3 May 2017	21 December 2017
343	S5013P1706E	5 May 2017	29 June 2017
344	S5013C1706E	5 May 2017	29 June 2017
345	TASC13C1712A	15 May 2017	20 December 2017
346	STEC13C1801A	15 May 2017	11 January 2018
347	CK13C1712A	15 May 2017	20 December 2017
348	THAI13C1712A	19 May 2017	21 December 2017

No.	Name of DW	First Trading Date	Maturity Date
349	SAWA13C1712A	19 May 2017	21 December 2017
350	PTG13C1712A	19 May 2017	21 December 2017
351	MTLS13C1801A	19 May 2017	17 January 2018
352	CBG13C1712A	19 May 2017	21 December 2017
353	BANP13C1712A	19 May 2017	21 December 2017
354	TRUE13P1712A	22 May 2017	19 December 2017
355	BLA13P1712A	22 May 2017	19 December 2017
356	TPIP13C1712A	22 May 2017	19 December 2017
357	KTC13C1712A	22 May 2017	19 December 2017
358	BLA13C1712A	22 May 2017	19 December 2017
359	BDMS13C1801A	22 May 2017	26 January 2018
360	BBL13C1801A	22 May 2017	26 January 2018
361	BA13C1801A	22 May 2017	26 January 2018
362	HANA13C1801A	23 May 2017	26 January 2018
363	CPN13C1801A	23 May 2017	26 January 2018
364	S5013P1709A	29 May 2017	28 September 2017
365	S5013C1709A	29 May 2017	28 September 2017
366	S5013P1709B	5 June 2017	28 September 2017
367	S5013C1709B	5 June 2017	28 September 2017
368	DTAC13P1712A	6 June 2017	13 December 2017
369	TISC13C1801A	6 June 2017	26 January 2018
370	PTTE13C1801A	6 June 2017	26 January 2018
371	AOT13C1801A	6 June 2017	26 January 2018
372	CKP13C1801A	8 June 2017	26 January 2018
373	TRUE13C1801A	16 June 2017	26 January 2018
374	S5013P1709C	22 June 2017	28 September 2017
375	S5013C1709C	22 June 2017	28 September 2017
376	TASC13C1801A	27 June 2017	31 January 2018
377	BEC13C1801A	27 June 2017	31 January 2018
378	VNG13C1806A	29 June 2017	13 June 2018
379	VIBH13C1806A	29 June 2017	13 June 2018
380	TTCL13C1806A	29 June 2017	13 June 2018
381	SPCG13C1806A	29 June 2017	13 June 2018
382	SGP13C1806A	29 June 2017	13 June 2018
383	SAMA13C1806A	29 June 2017	13 June 2018
384	HANA13C1806A	29 June 2017	13 June 2018
385	S5013P1709D	30 June 2017	28 September 2017
386	S5013C1709D	30 June 2017	28 September 2017
387	DTAC13P1802A	30 June 2017	6 February 2018
388	IRPC13C1802A	30 June 2017	6 February 2018
389	SUPE13C1802A	6 July 2017	6 February 2018
390	EA13C1802A	6 July 2017	6 February 2018
391	BPP13C1802A	6 July 2017	6 February 2018
392	BJC13C1802A	6 July 2017	6 February 2018
393	BANP13C1802A	6 July 2017	6 February 2018
394	PTT13C1802A	7 July 2017	6 February 2018
395	KTC13C1802A	7 July 2017	6 February 2018
396	COM713C1802A	7 July 2017	6 February 2018
397	IVL13P1802A	14 July 2017	21 February 2018
398	AOT13P1802A	14 July 2017	21 February 2018

No.	Name of DW	First Trading Date	Maturity Date
399	SPRC13C1802A	14 July 2017	21 February 2018
400	SIRI13C1802A	14 July 2017	21 February 2018
401	KCE13C1802A	14 July 2017	21 February 2018
402	CPF13C1802A	14 July 2017	21 February 2018
403	BEAU13C1802A	14 July 2017	21 February 2018
404	KKP13C1802A	17 July 2017	21 February 2018
405	KBAN13C1802A	17 July 2017	21 February 2018
406	BIG13C1802A	19 July 2017	21 February 2018
407	S13C1802A	21 July 2017	22 February 2018
408	IVL13C1802A	21 July 2017	22 February 2018
409	EPG13C1803A	26 July 2017	5 March 2018
410	AOT13C1803A	26 July 2017	5 March 2018
411	KCE13C1803A	31 July 2017	5 March 2018
412	ITD13C1802A	3 August 2017	22 February 2018
413	GPSC13C1803A	3 August 2017	26 March 2018
414	CBG13P1803A	4 August 2017	26 March 2018
415	KTB13C1803A	4 August 2017	26 March 2018
416	BCPG13C1804A	10 August 2017	26 April 2018
417	AMAT13C1804A	10 August 2017	26 April 2018
418	PTL13C1803A	10 August 2017	26 March 2018
419	PTG13C1803A	10 August 2017	26 March 2018
420	GUNK13C1803A	10 August 2017	26 March 2018
421	ROBI13C1804A	11 August 2017	26 April 2018
422	MEGA13C1804A	11 August 2017	26 April 2018
423	GFPT13C1804A	11 August 2017	26 April 2018
424	GLOW13C1804A	11 August 2017	26 April 2018
425	EGCO13C1804A	11 August 2017	26 April 2018
426	TVO13C1804A	15 August 2017	26 April 2018
427	THAN13C1804A	15 August 2017	26 April 2018
428	TU13C1804A	15 August 2017	26 April 2018
429	SCCC13C1804A	15 August 2017	26 April 2018
430	CPF13C1803A	15 August 2017	26 March 2018
431	WORK13C1803A	16 August 2017	27 March 2018
432	TKN13C1803A	16 August 2017	27 March 2018
433	S5013P1712A	18 August 2017	28 December 2017
434	S5013C1712A	18 August 2017	28 December 2017
440	BIG13C1804A	21 August 2017	24 April 2018
441	BEC13C1804A	21 August 2017	24 April 2018
435	UNIQ13C1805A	22 August 2017	3 May 2018
436	THAI13C1803A	22 August 2017	26 March 2018
437	SAWA13C1803A	22 August 2017	26 March 2018
438	PTTE13C1805A	22 August 2017	3 May 2018
439	BEAU13C1805A	22 August 2017	3 May 2018
442	TOP13C1805A	28 August 2017	3 May 2018
443	ADVA13C1805A	28 August 2017	3 May 2018
444	DELT13C1804A	28 August 2017	24 April 2018
445	TRUE13C1803A	28 August 2017	26 March 2018
446	S5013P1712B	29 August 2017	28 December 2017
447	S5013C1712B	29 August 2017	28 December 2017
448	SCC13C1805A	29 August 2017	3 May 2018

No.	Name of DW	First Trading Date	Maturity Date
449	BH13C1805A	29 August 2017	3 May 2018
450	PTTE13P1805A	30 August 2017	3 May 2018
451	ADVA13P1805A	30 August 2017	3 May 2018
452	MTLS13P1803A	30 August 2017	26 March 2018
453	S5013P1712C	1 September 2017	28 December 2017
454	S5013C1712C	1 September 2017	28 December 2017
455	PTT13C1803A	1 September 2017	27 March 2018
456	WORK13C1802A	6 September 2017	21 February 2018
457	COM713C1804A	6 September 2017	24 April 2018
458	BCH13C1805A	7 September 2017	18 May 2018
459	DTAC13C1803A	8 September 2017	23 March 2018
460	S5013P1712D	13 September 2017	28 December 2017
461	S5013C1712D	13 September 2017	28 December 2017
462	WHA13C1805A	18 September 2017	18 May 2018
463	THCO13C1804A	18 September 2017	24 April 2018
464	SCB13C1805A	18 September 2017	18 May 2018
465	MINT13C1805A	18 September 2017	18 May 2018
466	IVL13C1803A	19 September 2017	23 March 2018
467	AOT13C1805A	19 September 2017	18 May 2018
468	S5013P1712E	21 September 2017	28 December 2017
469	S5013C1712E	21 September 2017	28 December 2017
470	TPIP13C1805A	21 September 2017	18 May 2018
471	PTT13P1805A	22 September 2017	15 May 2018
472	TTA13C1805A	22 September 2017	15 May 2018
473	CBG13C1805A	27 September 2017	3 May 2018
474	GPSC13C1805A	28 September 2017	18 May 2018
475	BCP13C1805A	28 September 2017	18 May 2018
476	SPRC13C1805A	29 September 2017	15 May 2018
477	BCPG13C1805A	29 September 2017	15 May 2018
478	SAWA13C1804A	5 October 2017	24 April 2018
479	BEAU13C1804A	5 October 2017	24 April 2018
480	TCAP13C1804A	9 October 2017	25 April 2018
481	SUPE13C1805A	9 October 2017	15 May 2018
482	PTG13C1805A	9 October 2017	15 May 2018
483	MEGA13C1805A	9 October 2017	15 May 2018
484	CKP13C1805A	16 October 2017	3 May 2018
485	CBG13C1804A	16 October 2017	26 April 2018
486	CBG13P1805A	19 October 2017	15 May 2018
487	TOP13C1806A	19 October 2017	6 June 2018
488	MALE13C1804A	19 October 2017	3 April 2018
489	S5013P1712F	20 October 2017	28 December 2017
490	S5013C1712F	20 October 2017	28 December 2017
491	BLA13P1805A	20 October 2017	3 May 2018
492	KTC13C1805A	20 October 2017	3 May 2018
493	GPSC13C1806A	20 October 2017	6 June 2018
494	BLA13C1805A	20 October 2017	3 May 2018
495	TASC13C1805A	24 October 2017	22 May 2018
496	PTTG13C1805A	24 October 2017	22 May 2018
497	CHG13C1805A	24 October 2017	22 May 2018
498	BPP13C1805A	24 October 2017	22 May 2018

No.	Name of DW	First Trading Date	Maturity Date
499	AAV13C1805A	24 October 2017	22 May 2018
500	TKN13C1805A	30 October 2017	22 May 2018
501	CBG13C1806A	30 October 2017	7 June 2018
502	WORK13C1805A	9 November 2017	22 May 2018
503	MTLS13C1805A	9 November 2017	22 May 2018
504	THCO13C1805A	10 November 2017	22 May 2018
505	IRPC13C1806A	10 November 2017	14 June 2018
506	INTU13C1806A	10 November 2017	14 June 2018
507	CK13C1806A	10 November 2017	14 June 2018
508	BEM13C1806A	10 November 2017	14 June 2018
509	EA13C1805A	13 November 2017	15 May 2018
510	BCPG13C1806A	13 November 2017	14 June 2018
511	COM713C1805A	15 November 2017	15 May 2018
512	BLA13C1804A	15 November 2017	25 April 2018
513	KCE13C1805A	16 November 2017	15 May 2018
514	IVL13C1805A	16 November 2017	15 May 2018
515	DTAC13C1805A	16 November 2017	15 May 2018
516	BEAU13C1806A	16 November 2017	6 June 2018
517	KTC13C1806A	21 November 2017	12 June 2018
518	AMAT13C1805A	21 November 2017	18 May 2018
519	AMAT13C1806A	24 November 2017	12 June 2018
520	S5013P1803A	24 November 2017	29 March 2018
521	S5013C1803A	24 November 2017	29 March 2018
522	IVL13P1805A	4 December 2017	15 May 2018
523	SUPE13C1806A	4 December 2017	18 June 2018
524	MALE13C1805A	4 December 2017	24 May 2018
525	DTAC13C1806A	4 December 2017	18 June 2018
526	BJC13C1805A	4 December 2017	24 May 2018
527	BEC13C1805A	4 December 2017	24 May 2018
528	S5013P1803B	6 December 2017	29 March 2018
529	S5013C1803B	6 December 2017	29 March 2018
530	S5013P1803C	22 December 2017	29 March 2018
531	S5013C1803C	22 December 2017	29 March 2018
532	CPAL13C1807A	22 December 2017	10 July 2018
533	PTG13C1806A	27 December 2017	18 June 2018
534	KTC13C1807A	27 December 2017	10 July 2018
535	BPP13C1806A	27 December 2017	18 June 2018
536	BANP13C1807A	27 December 2017	10 July 2018
537	GPSC13C1807A	28 December 2017	10 July 2018
538	AOT13C1806A	28 December 2017	14 June 2018
539	THAN13C1809A	29 December 2017	24 September 2018
540	SCCC13C1809A	29 December 2017	24 September 2018
541	PTL13C1809A	29 December 2017	24 September 2018
542	PLAN13C1809A	29 December 2017	24 September 2018
543	MALE13C1809A	29 December 2017	24 September 2018
544	DELT13C1809A	29 December 2017	24 September 2018
545	BLA13C1809A	29 December 2017	24 September 2018

Attachment 5

The Company's Branch and subsidiary's office locations

The Company's Branch and 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
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	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
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	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
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 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
	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	Chiangmai 189/1 Moo 6, Ruamchok mall/ Ruamchok Market, 2 nd Floor, Room no.C 101, Chiang Mai - Mae Jo Road, Faham Sub-District, Mueang Chiang Mai District, Chiang Mai Province 50000 Tel: 0 5207 0900-914 Fax: 0 5207 0914
Subsidiary Company One Asset Management Limited No. 989, the 9 th and 24 th floors of Siampiwat Tower Building, Rama I Road, Patumwan Sub-district, Patumwan District, Bangkok 10330, Thailand Tel: 66 (0) 2659 8888 Fax : 66 (0) 2659 8860 Website : http:// www.one-asset.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, 2017, 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 the 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, 2017, and its financial performance and its 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’ 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.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 3 to the financial statements that KGI Securities (Thailand) Public Company Limited and its subsidiaries have elected to change accounting policy relating to investments in subsidiaries in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards and the Company restated the separate statement of financial statements for the year ended December 31, 2016 and the separate statement of financial position as at January 1, 2016 which are presented as comparative information, to be in accordance with the revised Thai Financial Reporting Standard.

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 26 and Note 37 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, we have received such other information in the annual report that has been prepared for issuance 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 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 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company 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's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and 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 26, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		As at	As at	As at	As at	As at
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016 “Restated”	January 1, 2016 “Restated”
ASSETS						
ASSETS						
Cash and cash equivalents	6	322,234,867	392,296,992	183,468,265	209,033,674	333,522,078
Securities purchased under resale agreements		360,000,000	370,000,000	360,000,000	370,000,000	140,000,000
Receivables from Clearing House and broker - dealers	7	481,468,149	2,117,084,930	481,468,149	2,117,084,930	874,170,607
Securities business receivables and						
Derivatives business receivables	8	6,590,014,892	5,098,933,496	6,590,014,892	5,098,933,496	5,053,291,873
Accrued fees and service income						
from asset management business		52,817,905	59,238,044	-	-	-
Derivatives assets	10	131,503,021	72,399,616	131,503,021	72,399,616	93,269,455
Investments	11	8,621,732,023	5,580,931,251	8,136,057,787	5,188,743,618	2,107,327,984
Investments in subsidiaries	3, 12	-	-	2,602,212,838	2,563,628,872	2,529,090,267
Property, plant and equipment	13	107,717,090	107,465,327	86,703,475	82,421,539	92,520,381
Intangible assets	14	73,408,881	66,935,399	54,689,335	50,218,580	50,264,584
Goodwill		26,713,599	26,713,599	-	-	-
Properties foreclosed	15	30,456,355	31,556,355	30,456,355	31,556,355	35,075,355
Deferred tax assets	16	5,612,956	6,295,557	-	-	-
Other assets	17	221,391,487	202,220,138	198,339,133	175,633,081	180,395,448
TOTAL ASSETS		17,025,071,225	14,132,070,704	18,854,913,250	15,959,653,761	11,488,928,032

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

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		As at	As at	As at	As at	As at
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016 “Restated”	January 1, 2016 “Restated”
LIABILITIES AND OWNERS' EQUITY						
LIABILITIES						
Borrowings from financial institutions	18	3,700,000,000	1,700,000,000	3,700,000,000	1,700,000,000	-
Securities sold under repurchase agreements		403,000,000	540,000,000	403,000,000	540,000,000	10,000,000
Payables to Clearing House and broker - dealers		109,312,910	-	109,312,910	-	117,450,667
Securities business payables and						
Derivatives business payables	19	3,588,190,091	3,918,283,270	3,588,190,091	3,918,283,270	3,388,911,531
Accrued fees and service expenses						
from asset management business		12,989,914	9,927,067	-	-	-
Derivatives liabilities	10	531,668,585	260,270,087	531,668,585	260,270,087	109,605,122
Accrued expenses		429,136,008	475,876,966	368,473,941	409,033,791	272,257,142
Cuerrent tax liabilities		95,515,808	107,886,231	88,390,973	98,131,177	16,938,626
Debts issued and borrowings	20	2,382,765,876	1,478,402,837	2,382,765,876	1,478,402,837	454,671,746
Subordinated loans from subsidiaries	21	-	-	1,936,500,000	1,936,500,000	1,936,500,000
Provisions for long-term employee benefits	22	106,776,849	88,765,202	89,776,763	74,739,319	60,664,065
Provisions for liabilities		39,811,557	42,372,143	35,763,057	38,323,643	42,648,752
Deferred tax liabilities	16	579,114	2,445,081	579,114	2,445,081	13,090,925
Other liabilities		28,160,218	24,186,454	26,889,348	22,995,423	25,596,078
Total liabilities		11,427,906,930	8,648,415,338	13,261,310,658	10,479,124,628	6,448,334,654
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	1,991,763,130
Share premium		982,166,480	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	101,922,580
Retained earnings						
Appropriated - statutory reserve		199,176,313	199,176,313	199,176,313	199,176,313	199,176,313
Unappropriated		2,365,502,610	2,234,488,542	2,365,502,610	2,234,488,542	1,779,748,786
Other component of owners' equity		(46,928,521)	(28,987,912)	(46,928,521)	(28,987,912)	(14,183,911)
Equity attributable to equity holders of the parent		5,593,602,592	5,480,529,133	5,593,602,592	5,480,529,133	5,040,593,378
Non-controlling interests		3,561,703	3,126,233	-	-	-
Total owners' equity		5,597,164,295	5,483,655,366	5,593,602,592	5,480,529,133	5,040,593,378
TOTAL LIABILITIES AND OWNERS' EQUITY		17,025,071,225	14,132,070,704	18,854,913,250	15,959,653,761	11,488,928,032

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

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
					“Restated”
REVENUES					
Brokerage fees	26	917,036,355	1,045,937,174	917,036,355	1,045,937,174
Fees and service income	27	672,198,509	669,451,623	114,306,417	133,545,799
Interest on margin loans		136,710,784	99,412,181	136,710,784	99,412,181
Gains and return on financial instruments	3, 28	1,327,898,375	1,424,752,871	1,313,437,977	1,429,692,773
Share of profit from investment in subsidiaries	3	-	-	129,592,975	122,088,327
Other incomes		4,428,223	6,301,384	3,556,871	5,813,404
Total revenues		<u>3,058,272,246</u>	<u>3,245,855,233</u>	<u>2,614,641,379</u>	<u>2,836,489,658</u>
EXPENSES					
Employee benefits expenses		1,015,492,905	1,047,520,357	805,602,978	858,059,969
Fees and service expenses		357,452,055	360,395,286	271,236,335	276,349,224
Finance costs		140,565,253	113,163,106	140,565,253	113,163,106
Bad debt and doubtful accounts (reversal)		(20,059,617)	7,215,754	(20,059,617)	7,215,754
Other expenses	31	457,601,190	436,619,475	345,069,344	334,001,795
Total expenses		<u>1,951,051,786</u>	<u>1,964,913,978</u>	<u>1,542,414,293</u>	<u>1,588,789,848</u>
Profits before income tax		<u>1,107,220,460</u>	<u>1,280,941,255</u>	<u>1,072,227,086</u>	<u>1,247,699,810</u>
Income tax expenses	34	(219,146,936)	(257,402,145)	(185,344,110)	(225,331,738)
Profits for the years		<u>888,073,524</u>	<u>1,023,539,110</u>	<u>886,882,976</u>	<u>1,022,368,072</u>

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
					"Restated"
Other comprehensive gain (loss):					
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gain on defined benefit plan		1,210,999	-	1,210,999	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		(242,200)	-	(242,200)	-
		<u>968,799</u>	<u>-</u>	<u>968,799</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:					
Gains (Loss) on remeasuring available-for-sale investments		4,471,186	(12,706,802)	4,471,186	(12,706,802)
Exchange differences on translating the financial statements		(22,330,926)	(2,097,199)	(22,330,926)	(2,097,199)
Income tax relating to items that may be reclassified subsequently to profit or loss		(80,869)	-	(80,869)	-
		<u>(17,940,609)</u>	<u>(14,804,001)</u>	<u>(17,940,609)</u>	<u>(14,804,001)</u>
Total other comprehensive loss after tax		<u>(16,971,810)</u>	<u>(14,804,001)</u>	<u>(16,971,810)</u>	<u>(14,804,001)</u>
Total comprehensive income for the years		<u><u>871,101,714</u></u>	<u><u>1,008,735,109</u></u>	<u><u>869,911,166</u></u>	<u><u>1,007,564,071</u></u>
Profits for the years attributable to:					
Equity holders of the parent		886,882,976	1,022,368,072	<u>886,882,976</u>	<u>1,022,368,072</u>
Non-controlling interests		<u>1,190,548</u>	<u>1,171,038</u>		
		<u><u>888,073,524</u></u>	<u><u>1,023,539,110</u></u>		
Total comprehensive income for the years attributable to:					
Equity holders of the parent		869,911,166	1,007,564,071	<u>869,911,166</u>	<u>1,007,564,071</u>
Non-controlling interests		<u>1,190,548</u>	<u>1,171,038</u>		
		<u><u>871,101,714</u></u>	<u><u>1,008,735,109</u></u>		
Earnings per share attributable to equity holders					
of the parent					
Basic earning per share	33	0.45	0.51	0.45	0.51

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, 2017

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS												
Equity attributable to shareholders of the Parent												
Other component of owners' equity												
Exchange												
Gains (Loss) on differences on												
re-measuring the financial												
Total equity												
attributable												
to equity holders												
Non-controlling												
interests												
Total												
Note	Share capital	Share premium	Surplus from unexercised warrants	Retained earnings Appropriated	Retained earnings Unappropriated	available-for-sale investment	Gains (Loss) on re-measuring the financial statements	differences on translating the financial statements	Total other component of owners' equity	Total equity attributable to equity holders of the parent	Non-controlling interests	Total
Balance as at January 1, 2016	1,991,763,130	982,166,480	101,922,580	199,176,313	1,779,748,786	11,389,009	(25,572,920)	(14,183,911)	(14,183,911)	5,040,593,378	2,709,474	5,043,302,852
Dividends paid	36	-	-	-	(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 loss for the year		-	-	-	-	(12,706,802)	(2,097,199)	(14,804,001)	(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	199,176,313	2,234,488,542	(1,317,793)	(27,670,119)	(28,987,912)	5,480,529,133	3,126,233	5,483,655,366
Balance as at January 1, 2017		1,991,763,130	982,166,480	101,922,580	199,176,313	2,234,488,542	(1,317,793)	(27,670,119)	(28,987,912)	5,480,529,133	3,126,233	5,483,655,366
Dividends paid	36	-	-	-	-	(756,837,707)	-	-	-	(756,837,707)	(651,280)	(757,488,987)
Net profits for the year		-	-	-	-	886,882,976	-	-	-	886,882,976	1,190,548	888,073,524
Other comprehensive gain (loss) for the year		-	-	-	-	968,799	4,390,317	(22,330,926)	(17,940,609)	(16,971,810)	-	(16,971,810)
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	(103,798)	(103,798)
Balance as at December 31, 2017		1,991,763,130	982,166,480	101,922,580	199,176,313	2,365,502,610	3,072,524	(50,001,045)	(46,928,521)	5,593,602,592	3,561,703	5,597,164,295

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, 2017

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS									
Notes	Share capital	Share premium	Surplus from unexercised warrants	Retained earnings		Other component of owners' equity			
				Appropriated	Unappropriated	Gains (Loss) on re-measuring available-for-sale investment	Exchange differences on translating the financial statements	Total other component of owners' equity	Total
Balance as at January 1, 2016 - as previously reported	1,991,763,130	982,166,480	101,922,580	199,176,313	1,786,257,341	-	-	-	5,061,285,844
Impacts from change in the accounting policy	3	-	-	-	(6,508,555)	11,389,009	(25,572,920)	(14,183,911)	(20,692,466)
Balance as at January 1, 2016 - as restated	1,991,763,130	982,166,480	101,922,580	199,176,313	1,779,748,786	11,389,009	(25,572,920)	(14,183,911)	5,040,593,378
Transactions with owners, recorded directly in equity									
Dividends paid	36	-	-	-	(567,628,316)	-	-	-	(567,628,316)
Net profits for the year		-	-	-	1,022,368,072	-	-	-	1,022,368,072
Other comprehensive loss for the year		-	-	-	-	(12,706,802)	(2,097,199)	(14,804,001)	(14,804,001)
Balance as at December 31, 2016	1,991,763,130	982,166,480	101,922,580	199,176,313	2,234,488,542	(1,317,793)	(27,670,119)	(28,987,912)	5,480,529,133
Balance as at January 1, 2017 - as previously reported	1,991,763,130	982,166,480	101,922,580	199,176,313	2,191,757,491	-	-	-	5,466,785,994
Impacts from change in the accounting policy	3	-	-	-	42,731,051	(1,317,793)	(27,670,119)	(28,987,912)	13,743,139
Balance as at January 1, 2017 - as restated	1,991,763,130	982,166,480	101,922,580	199,176,313	2,234,488,542	(1,317,793)	(27,670,119)	(28,987,912)	5,480,529,133
Transactions with owners, recorded directly in equity									
Dividends paid	36	-	-	-	(756,837,707)	-	-	-	(756,837,707)
Net profits for the year		-	-	-	886,882,976	-	-	-	886,882,976
Other comprehensive gain (loss) for the year		-	-	-	968,799	4,390,317	(22,330,926)	(17,940,609)	(16,971,810)
Balance as at December 31, 2017	1,991,763,130	982,166,480	101,922,580	199,176,313	2,365,502,610	3,072,524	(50,001,045)	(46,928,521)	5,593,602,592

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, 2017

UNIT : BAHT

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016 “Restated”
Cash flows from operating activities					
Profits before income tax expenses		1,107,220,460	1,280,941,255	1,072,227,086	1,247,699,810
Adjustments to reconcile profits before income tax expenses to net cash provided by (paid for) operating activities:					
Share of profit from investment in subsidiaries	3	-	-	(129,592,975)	(122,088,327)
Depreciation and amortisation		61,611,899	58,014,747	46,773,502	44,998,948
Bad debts and doubtful accounts		9,170,364	10,455,834	9,170,364	10,455,834
Provisions for liabilities (reversal)		(2,810,000)	2,902,500	(2,810,000)	2,902,500
(Gains) Losses on revaluation of trading securities and derivatives		61,628,979	(62,231,213)	71,503,089	(72,105,323)
Gains on disposal of investments		(10,680,651)	-	(10,680,651)	-
Premium on investments in debt securities of a subsidiary		196,725	5,166	-	-
Discount on debts issued and other borrowings		(37,968,269)	(20,889,025)	(37,968,269)	(20,889,025)
Amortisation of deferred interest of financial lease		105,885	-	-	-
(Gains) losses on disposals and written-off of equipment		189,391	274,005	(101,466)	178,006
Gains on disposals properties foreclosed		(1,720,000)	(5,381,000)	(1,720,000)	(5,381,000)
Interest income on deposits and investments		(119,246,802)	(130,773,972)	(114,660,514)	(125,839,765)
Dividend income	3	(153,730,170)	(129,922,489)	(153,730,170)	(129,922,489)
Financial costs		140,565,253	113,163,106	140,565,253	113,163,106
Provisions for long-term employee benefits		20,355,796	17,377,911	16,538,443	14,075,254
Income from operating activities before changes in operating assets and liabilities					
		1,074,888,860	1,133,936,825	905,513,692	957,247,529
(Increase) decrease in operating assets					
Securities purchased under resale agreements		10,000,000	(230,000,000)	10,000,000	(230,000,000)
Receivables from Clearing House and brokers - dealers		1,635,616,781	(1,243,166,282)	1,635,616,781	(1,243,166,281)
Securities business receivables and Derivatives business receivables		(1,500,251,760)	(64,911,322)	(1,500,251,760)	(64,911,322)
Accrued fees and service income from asset management business		6,420,139	(9,959,448)	-	-
Derivatives assets		(48,399,351)	(46,947,147)	(48,399,351)	(46,947,147)
Trading securities		(2,908,755,924)	(2,941,405,541)	(2,908,755,924)	(2,941,405,541)
Other assets		(16,632,126)	(26,059,669)	(20,556,010)	(19,576,871)
Increase (decrease) in operating liabilities					
Borrowings from financial institutions		2,000,000,000	1,700,000,000	2,000,000,000	1,700,000,000
Securities sold under repurchase agreements		(137,000,000)	530,000,000	(137,000,000)	530,000,000
Payables to Clearing House and brokers - dealers		109,312,910	(117,450,667)	109,312,910	(117,450,667)
Securities business payables and Derivatives business payables		(333,021,084)	513,770,424	(333,021,084)	513,770,424
Accrued fees and service expenses from asset management business		3,062,847	2,474,630	-	-
Derivatives liabilities		250,409,947	167,050,056	250,409,947	167,050,056
Accrued expenses		(47,589,089)	131,388,046	(40,556,380)	136,700,815
Debts issued and other borrowings		907,400,320	1,024,965,863	907,400,320	1,024,965,863
Payments on long-term employee benefits during the years		(1,133,150)	-	(290,000)	-
Other liabilities		4,653,194	3,569,225	3,779,239	2,702,087
Cash received from operation		1,008,982,514	527,254,993	833,202,380	368,978,945

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
				“Restated”
Cash received from interest income on deposits and investments	116,916,254	159,184,284	112,719,147	154,087,554
Cash paid for interest expenses	(105,201,123)	(93,008,917)	(105,201,123)	(93,008,917)
Cash paid for income taxes	(233,023,794)	(187,281,330)	(197,273,351)	(154,785,031)
Net cash provided by operating activities	787,673,851	406,149,030	643,447,053	275,272,551
Cash flows from investing activities				
Cash paid for available-for-sale securities	(97,126,131)	-	(97,126,131)	-
Proceed from disposals of available-for-sale securities	10,742,640	-	10,742,640	-
Cash paid for held-to-maturity securities	(195,400,000)	(50,303,733)	-	(619,601)
Proceed from disposals of held-to-maturity securities	100,619,557	77,656,000	619,557	-
Cash paid for investment in a subsidiary	(103,798)	(102,999)	(103,798)	(102,999)
Dividends received on investment in securities	153,521,494	127,176,091	153,521,494	127,176,091
Dividends received from a subsidiary	-	-	72,848,720	72,848,720
Cash paid for purchases of equipment and intangible assets	(67,915,044)	(55,456,628)	(55,664,835)	(40,619,252)
Proceed from disposals of equipment	167,598	284,402	167,598	284,402
Cash paid for financial lease	(900,000)	-	-	-
Proceed from properties foreclosed	2,820,000	8,900,000	2,820,000	8,900,000
Net cash provided by (used in) investing activities	(93,573,684)	108,153,133	87,825,245	167,867,361
Cash flows from financing activities				
Dividends paid	(756,837,707)	(567,628,316)	(756,837,707)	(567,628,316)
Dividends paid to non-controlling interests	(651,280)	(651,280)	-	-
Net cash used in financing activities	(757,488,987)	(568,279,596)	(756,837,707)	(567,628,316)
Net decrease in cash and cash equivalents				
before changes in exchange differences on				
translating the financial statements	(63,388,820)	(53,977,433)	(25,565,409)	(124,488,404)
Exchange differences on translating the financial statements	(6,673,305)	(723,721)	-	-
Net decrease in cash and cash equivalents	(70,062,125)	(54,701,154)	(25,565,409)	(124,488,404)
Cash and cash equivalents as at January 1,	392,296,992	446,998,146	209,033,674	333,522,078
Cash and cash equivalents as at December 31,	322,234,867	392,296,992	183,468,265	209,033,674

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

KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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FOR THE YEAR ENDED DECEMBER 31, 2017

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KGI SECURITIES (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 12 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, 2017 and 2016, 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 2016) “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. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2)”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards. The consolidated and separate statements of financial position as at December 31, 2016 and the related consolidated and separate statements of comprehensive income for the year ended December 31, 2016 have been reclassified accordingly

The statements of financial position as at December 31, 2016 and January 1, 2016 have been reclassified to conform to the classification used in the statements of financial position as at December 31, 2017 as follows:

	As at December 31, 2016		As at January 1, 2016	Previous	Unit: Thousand Baht New
	CONSOLIDATED	SEPARATE	SEPARATE	Classification	Classification
	FINANCIAL	FINANCIAL	FINANCIAL		
	STATEMENTS	STATEMENTS	STATEMENTS		
Fixed deposits	166,322	622	2	Deposits at financial institutions	Investments
Derivatives assets - Futures	11,196	11,196	70,776	Receivables from Clearing House	Derivatives assets
Receivables from domestic brokers	832	832	252	Securities and derivatives business receivables	Receivables from Clearing House and broker - dealers
Accrued fees and service income from Asset management business	59,238	-	-	Other assets	Accrued fees and service income from asset management business
Derivatives liabilities - Futures	1,345	1,345	5,605	Receivables from Clearing House	Derivatives liabilities
Accrued fees and service expenses from Asset management business	9,927	-	-	Accrued expenses	Accrued fees and service expenses from asset management business

The statements of comprehensive income for the year ended December 31, 2016 have been reclassified to conform to the classification used in the statements of comprehensive income for the year ended December 31, 2017 as follows:

	For the year ended December 31, 2016		Previous Classification	Unit: Thousand Baht New Classification
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS		
Selling agent fee	39,412	39,794	Brokerage fees	Fee and service income
Interest income from securities borrowing and lending	787	787	Interest and dividends	Fee and service income
Directors' remuneration	34,153	28,310	Directors' remuneration	Employee benefits expenses
Premises and equipment expenses	205,328	166,537	Premises and equipment Expenses	Other expenses
Gains on securities	291,553	301,427	Gains on securities	Gains and return on financial instruments
Gains on derivatives	873,291	873,291	Gains on derivatives	Gains and return on financial instruments
Interest and dividends	259,909	254,975	Interest and dividends	Gains and return on financial instruments

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, 2017	December 31, 2016	December 31, 2017	December 31, 2016
			December 31, 2017	December 31, 2016				
			Percent	Percent	Percent	Percent	Percent	Percent
One Asset Management Limited	Mutual fund management	Thailand	99	99	2.95	3.22	18.51	16.75
KGI Securities (Thailand) International Holdings Limited (“HOLDCO”)	Investment	Hong Kong	100	100	0.41	0.59	-	-
KGI (Thailand) Holdings Limited (“KTHL”)	Investment	British Virgin Islands	100	100	0.98	1.27	-	-

- (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 on translating the financial statements” 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 equity method, have been prepared solely for the benefit of the public.

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current year financial statements.

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

Thai Accounting Standard No.27 (Revised 2016) "Separate Financial Statements"

This revised accounting standard allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in separate financial statements by retrospective method. The Company has changed from cost method to use equity method in separate financial statements for current period. Therefore, the Company has retrospectively changed in order to comply with this revised accounting standard (see Note 3).

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

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

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

3. NEW THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2017, 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, 2017 onwards, in the preparation of the financial statements. Such TFRSs have no significant impact on the financial statements of the Company except for the following TFRS.

TAS 27 (Revised 2016) “Separate Financial Statements”

Since January 1, 2017, the Group and the Company have adopted TAS 27 (Revised 2016) “Separate Financial Statements” by changing accounting policy relating to investment in subsidiaries in the separate financial statements from cost method to equity method.

Comparative amounts for 2016 and the related amounts as at January 1, 2016 have been restated in accordance with the relevant transitional provisions set out in TFRSs. Impacts from change in the accounting policy on the separate financial statements are summarized as follows:

The separate statement of financial position as at December 31, 2016 and January 1, 2016

	Unit: Thousand Baht					
	As at December 31, 2016			As at January 1, 2016		
	Balance as at December 31, 2016 as previously reported	Increase from change in accounting policy	Balance as at December 31, 2016 as restated	Balance as at January 1, 2016 as previously reported	Increase (decrease) from change in accounting policy	Balance as at January 1, 2016 as restated
Investments in subsidiaries	2,549,886	13,743	2,563,629	2,549,783	(20,693)	2,529,090
Retained earnings						
Unappropriated	2,191,758	42,731	2,234,489	1,786,257	(6,508)	1,779,749

The separate statement of other comprehensive income for the year ended December 31, 2016

	Unit: Thousand Baht		
	For the year ended December 31, 2016		
	As previously reported	Increase (decrease) from change in accounting policy	As restated
Gains and return on financial instruments	1,502,542	(72,849)	1,429,693
Share of profit of investments in subsidiaries	-	122,088	122,088
Total revenues	2,787,250	49,240	2,836,490
Profit before income tax	1,198,460	49,240	1,247,700
Profit for the year	973,128	49,240	1,022,368
Total comprehensive income for the year	973,128	34,436	1,007,564
Basic earnings per share	0.49	0.02	0.51

The separate statement of cash flows for the year ended December 31, 2016

	Unit: Thousand Baht		
	For the year ended December 31, 2016		
	As previously reported	Increase (decrease) from change in accounting policy	As restated
Cash flows from operating activities			
Profit before income tax expense	1,198,460	49,240	1,247,700
Adjustments:			
Share of profit of investments in subsidiaries	-	(122,088)	(122,088)
Dividend income	(202,771)	72,849	(129,922)

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 excluded dividend of the subsidiaries 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 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 may be. Securities under those agreement are deemed collateral.

4.6 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.

4.7 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.

4.8 Securities business receivables and Derivatives business receivables/Securities business payables and Derivatives business payables

Securities business receivables 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 business payables 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.

4.9 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.

4.10 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 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 equity method.
- (f) Investments in deposits at financial institutions are deposits at domestic and foreign financial institutions that are not classified as cash and cash equivalents, 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.

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.

4.11 Property, plant 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
Equipment	3 and 5 years
Furniture and fixtures	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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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.

4.21 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.

4.22 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.

4.23 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 business receivables and derivative business receivables

Allowances for doubtful accounts on securities business receivables 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 Property, plant 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 property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires 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, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Cash on hand	833	826	783	776
Current accounts and savings deposits	406,964	478,741	323,247	373,928
Fixed deposits	455,007	1,178,407	400,007	1,100,007
Total cash and cash equivalents	862,804	1,657,974	724,037	1,474,711
<u>Less</u> Deposits held for customers*	<u>(540,569)</u>	<u>(1,265,677)</u>	<u>(540,569)</u>	<u>(1,265,677)</u>
Cash and cash equivalents	<u>322,235</u>	<u>392,297</u>	<u>183,468</u>	<u>209,034</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. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

Receivables from Clearing House and broker - dealers as at December 31, 2017 and 2016 consisted of the following:

	Unit: Thousand Baht CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016
Receivables from Clearing House	813,287	2,381,572
Receivables from domestic brokers	1,410	832
<u>Less</u> Receivables from Clearing House held for customers*	<u>(333,229)</u>	<u>(265,319)</u>
Receivables from Clearing House and broker - dealers	<u>481,468</u>	<u>2,117,085</u>

* Receivables from Clearing House and broker - dealers 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.

8. SECURITIES BUSINESS RECEIVABLES AND DERIVATIVES BUSINESS RECEIVABLES

Securities business receivables and Derivatives business receivables as at December 31, 2017 and 2016 consisted of the following:

	Unit: Thousand Baht	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016
<u>Securities business receivables</u>		
Cash accounts	2,830,936	2,119,303
Credit balance accounts	2,872,212	1,970,829
Receivables under securities borrowing and lending business		
- Guarantee deposit receivables	669,205	720,192
- Securities borrowing receivables	143,703	319,686
Other receivables		
- Installment receivables	430,490	421,236
- Overdue customers' accounts	-	304
- Other securities business receivables	95,396	-
Total securities business receivables	7,041,942	5,551,550
<u>Add</u> Accrued interest receivables	9,230	9,231
<u>Less</u> Allowance for doubtful accounts	(461,157)	(461,848)
Securities business receivables and accrued interest receivables	6,590,015	5,098,933
Securities business receivables and Derivatives business receivables	6,590,015	5,098,933

8.1 Receivables on which recognition of income have been ceased

As at December 31, 2017 and 2016, the Company had other receivables with book values totaling Baht 417 million and Baht 419 million, respectively, on which recognition of income have been ceased. The Company had already provided allowance for doubtful accounts amounting to Baht 417 million and Baht 419 million, respectively.

8.2 Receivables classified by class

As at December 31, 2017 and 2016, 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 was as follows:

	Unit: Thousand Baht		
	CONSOLIDATED AND SEPARATE		
	FINANCIAL STATEMENTS		
	December 31, 2017		
	Debt balances	Allowances for doubtful accounts	Debt balances net of allowances for doubtful accounts
Normal debts	6,611,748	-	6,611,748
Sub-standard debts	29,260	-	29,260
Doubtful debts	410,164	(410,164)	-
Total	7,051,172	(410,164)	6,641,008
Additional reserve for uncollectible debts	-	(50,993)	(50,993)
Carrying values	7,051,172	(461,157)	6,590,015

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	5,130,317	-	5,130,317
Sub-standard debts	29,260	-	29,260
Doubtful debts	401,204	(401,204)	-
Total	5,560,781	(401,204)	5,159,577
Additional reserve for uncollectible debts	-	(60,644)	(60,644)
Carrying values	5,560,781	(461,848)	5,098,933

8.3 Guarantee deposit receivables

Securities business receivables include guarantee deposit receivables as at December 31, 2017 and 2016 were as follows:

Unit: Thousand Baht

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

December 31, 2017 December 31, 2016

Guarantee deposit receivables	669,205	720,192
Fair value of borrowed securities	563,504	613,603
The value of remaining borrowed securities not yet sold under short-sale transaction or relent to others	822	1,554

9. ALLOWANCES FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts as at December 31, 2017 and 2016 consisted of the following:

Unit: Thousand Baht

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

December 31, 2017 December 31, 2016

Balances - beginning of the years	461,848	454,132
<u>Add</u> Allowances for doubtful accounts additional by set up during the years	9,170	10,456
Bad debts written back	22,077	500
<u>Less</u> Reversal of allowances for doubtful accounts during the years	(29,230)	(3,240)
Bad debts written off	(2,708)	-
Balances - ending of the years	461,157	461,848

10. DERIVATIVES ASSETS AND LIABILITIES

Derivatives assets and liabilities as at December 31, 2017 and 2016 consisted of the following:

Unit: Thousand Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2017				
	Assets		Liabilities	
	Fair value	Notional amounts	Fair value	Notional amounts
Trading derivatives				
Warrants	94,025	25,723	-	-
Derivatives warrants	-	-	471,330	12,413,952
Futures	28,443	1,199,604	48,475	5,067,666
Options	1,903	79,860	6,621	327,865
Over-the-Counter derivatives	7,132	707,362	5,243	500,000
Total	131,503	2,012,549	531,669	18,309,483

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	11,196	3,874,129	1,345	179,325
Options	5,587	210,840	49	2,165
Over-the-Counter derivatives	12,574	579,962	12,343	500,000
Total	72,399	4,683,135	260,270	8,732,569

11. INVESTMENTS

11.1 Investments as at December 31, 2017 and 2016 classified by investment purposes as follows:

Unit: Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	December 31, 2017		December 31, 2016	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	7,566,708	7,572,319	4,979,091	5,043,397
Investments units	2	6	2	6
Total	7,566,710	7,572,325	4,979,093	5,043,403
Debt securities				
Government debt securities	364,932	365,512	103,882	104,279
Corporate debt securities	80,000	80,000	19,911	19,690
Total	444,932	445,512	123,793	123,969
Total trading securities	8,011,642	8,017,837	5,102,886	5,167,372
<u>Add</u> Allowance for revaluation	6,195	-	64,486	-
Trading securities	8,017,837	8,017,837	5,167,372	5,167,372
Available-for-sale securities				
Equity securities				
Foreign Investments units	163,405	166,523	179,154	178,114
Total	163,405	166,523	179,154	178,114
Debt securities				
Corporate debt securities	97,064	97,469	-	-
Total	97,064	97,469	-	-
Total available-for-sale securities	260,469	263,992	179,154	178,114
<u>Add (less)</u> Allowance for revaluation	3,523	-	(1,040)	-
Available-for-sale securities	263,992	263,992	178,114	178,114
Held-to-maturity securities				
Fixed deposit	2,411,102		1,181,322	
Bank of Thailand bonds	1,736,792		2,058,709	
Government bonds	8,051		8,309	
Corporate debt securities	-		40,064	
Total Held-to-maturity securities	4,155,945		3,288,404	
<u>Less</u> Investments held for customers*	(3,836,792)		(3,073,709)	
Held-to-maturity securities	319,153		214,695	
General investments				
Ordinary shares	27,603		27,603	
Foreign investment units	2,191		2,402	
General investments	29,794		30,005	
<u>Less</u> Allowance for impairment	(9,044)		(9,255)	
General investments	20,750		20,750	
Total investments	8,621,732		5,580,931	

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS				
December 31, 2017		December 31, 2016		
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities				
Listed securities	7,566,708	7,572,319	4,979,091	5,043,397
Investment units	2	6	2	6
Total	7,566,710	7,572,325	4,979,093	5,043,403
Debt securities				
Government debt securities	364,932	365,512	103,882	104,279
Corporate debt securities	80,000	80,000	19,911	19,690
Total	444,932	445,512	123,793	123,969
Total trading securities	8,011,642	8,017,837	5,102,886	5,167,372
<u>Add</u> Allowance for revaluation	6,195	-	64,486	-
Trading securities	8,017,837	8,017,837	5,167,372	5,167,372
Available-for-sale securities				
Debt securities				
Corporate debt securities	97,064	97,469	-	-
Total available-for-sale securities	97,064	97,469	-	-
<u>Add</u> Allowance for revaluation	405	-	-	-
Available-for-sale securities	97,469	97,469	-	-
Held-to-maturity securities				
Fixed deposits	2,100,002		1,015,622	
Bank of Thailand bonds	1,736,792		2,058,709	
Total Held-to-maturity securities	3,836,794		3,074,331	
<u>Less</u> Investments held for customers*	(3,836,792)		(3,073,709)	
Held-to-maturity securities	2		622	
General investments				
Ordinary shares	27,603		27,603	
<u>Less</u> Allowance for impairment	(6,853)		(6,853)	
General investments	20,750		20,750	
Total investments	8,136,058		5,188,744	

* 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.

11.2 Investments subject to restrictions

As at December 31, 2017 and 2016, the Company and its subsidiaries have investments subject to restrictions of which the carrying value were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Securities sold under repurchase agreements - Trading securities	108,211	102,177	108,211	102,177
Securities placed as collateral held-to-maturity debt securities ⁽¹⁾	8,051	8,309	-	-
Total investments subject to restrictions	116,262	110,486	108,211	102,177

⁽¹⁾ As at December 31, 2017 and 2016, investments in held-to-maturity debt securities of a local subsidiary, totaling Baht 8 million, were placed as security with the Ministry of Finance, in accordance with the agreements made with the Ministry of Finance and the Ministry of Industry, who hired the subsidiary as their fund manager. The funds as managed by the subsidiary, are being in the liquidation process, those securities will be free from encumbrance when the liquidation is completed.

11.3 Deposit at financial institutions and debt securities classified by remaining periods to maturity

As at December 31, 2017 and 2016, the Company and its subsidiaries classify investments in deposit at financial institutions and debt securities by the remaining periods to maturity as follows:

	Unit: Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS December 31, 2017			
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale debt securities	97,469	-	-	97,469
Held-to-maturity securities	4,155,945	-	-	4,155,945
<u>Less</u> Investments held for customers*	(3,836,792)	-	-	(3,836,792)
Total	416,622	-	-	416,622

	Unit: Thousand Baht CONSOLIDATED FINANCIAL STATEMENTS December 31, 2016			
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity securities	3,280,095	8,309	-	3,288,404
<u>Less</u> Investments held for customers*	(3,073,709)	-	-	(3,073,709)
Total	206,386	8,309	-	214,695

* 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.

Unit: Thousand Baht				
SEPARATE FINANCIAL STATEMENTS				
December 31, 2017				
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale debt securities	97,469	-	-	97,469
Held-to-maturity securities	3,836,794	-	-	3,836,794
<u>Less</u> Investments held for customers*	(3,836,792)	-	-	(3,836,792)
Total	<u>97,471</u>	<u>-</u>	<u>-</u>	<u>97,471</u>

Unit: Thousand Baht				
SEPARATE FINANCIAL STATEMENTS				
December 31, 2016				
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity securities	3,074,331	-	-	3,074,331
<u>Less</u> Investments held for customers*	(3,073,709)	-	-	(3,073,709)
Total	<u>622</u>	<u>-</u>	<u>-</u>	<u>622</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. INVESTMENTS IN SUBSIDIARIES

Unit: Thousand Baht		
Separate financial statements		
<i>For the years ended December 31,</i>	2017	2016 "Restated"
As at January 1,	2,563,629	2,529,090
Share of profit from investments in subsidiaries for the years	129,593	122,089
Share of other comprehensive income of subsidiaries	(18,264)	(14,804)
Dividend paid during the years	(72,849)	(72,849)
Decrease in non-controlling interests	104	103
As at December 31,	<u>2,602,213</u>	<u>2,563,629</u>

Investments in subsidiaries as at December 31, 2017 and 2016, as presented in separate financial statements were as follows:

Company's name	Business	Type of Relationship	Paid-up capital		Shareholding percentage		Cost		Equity		Dividend during the years ended	
			December 31	December 31	December 31	December 31	December 31	December 31	December 31	December 31	December 31,	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
					%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
										“Restated”		
Subsidiaries included in consolidated financial statements												
One Asset Management Limited	Mutual fund management	Shareholding	Baht 105 million	Baht 105 million	99	99	244	244	434	371	73	73
KGI Securities (Thailand) International Holdings Limited (incorporated in Hong Kong)	Investment	Shareholding	USD 39 million	USD 39 million	100	100	1,549	1,549	1,504	1,508	-	-
KGI (Thailand) Holdings Limited (incorporated in British Virgin Islands)	Investment	Shareholding	USD 20 million	USD 20 million	100	100	834	834	664	685	-	-
Total investments in subsidiaries							2,627	2,627	2,602	2,564	73	73
Less Allowance for impairment loss							(77)	(77)	-	-	-	-
Investments in subsidiaries							2,550	2,550	2,602	2,564	73	73

The consolidated financial statements as at December 31, 2017 and 2016 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, 2017 and 2016, the Company acquired additional 3,291 ordinary shares and 3,240 ordinary shares, respectively, of One Asset Management Limited from minority shareholder of that subsidiary.

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2017 and, 2016 consisted of the following:

Unit: Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the year ended December 31, 2017				
	Balance as at January 1, 2017	Additions	Disposals	Balance as at December 31, 2017
Cost				
Land	1,820	-	-	1,820
Building and building improvements	23,647	243	(747)	23,208
Equipment	344,385	9,365	(676)	372,600
Furniture and fixtures	140,932	608	(1,588)	140,570
Vehicles	4,293	-	(593)	3,700
Installation in progress	1,364	32,342	-	13,497
Total cost	516,441	42,558	(3,604)	555,395
Accumulated depreciation				
Building and building improvements	13,517	3,629	(457)	16,689
Equipment	264,081	32,292	(660)	295,713
Furniture and fixtures	130,745	5,399	(1,406)	134,738
Vehicles	633	498	(593)	538
Total accumulated depreciation	408,976	41,818	(3,116)	447,678
Property, plant and equipment	107,465			107,717

Unit: Thousand Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the year ended December 31, 2016				
	Balance as at January 1, 2016	Additions	Disposals	Balance as at December 31, 2016
Cost				
Land	1,820	-	-	1,820
Building and building improvements	21,638	17	(594)	23,647
Equipment	358,831	10,392	(47,735)	344,385
Furniture and fixtures	140,537	325	(429)	140,932
Vehicles	593	3,700	-	4,293
Installation in progress	7,020	20,326	-	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
Property, plant and equipment	112,550			107,465

Depreciation for the year ended December 31

2017	Thousand Baht	41,818
2016	Thousand Baht	39,287

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2017

	Balance as at January 1, 2017	Additions	Disposals	Transfer in (Transfer out)	Balance as at December 31, 2017
Cost					
Land	1,820	-	-	-	1,820
Building and building improvements	3,280	-	-	-	3,280
Equipment	310,989	6,997	(676)	19,168	336,478
Furniture and fixtures	132,017	464	(1,588)	618	131,511
Vehicles	593	-	(593)	-	-
Installation in progress	1,364	29,237	-	(19,786)	10,815
Total cost	450,063	36,698	(2,857)	-	483,904
Accumulated depreciation					
Building and building improvements	3,280	-	-	-	3,280
Equipment	238,948	28,281	(660)	-	266,569
Furniture and fixtures	124,820	3,937	(1,405)	-	127,352
Vehicles	593	-	(593)	-	-
Total accumulated depreciation	367,641	32,218	(2,658)	-	397,201
Property, plant and equipment	82,422				86,703

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
Property, plant and equipment	92,520				82,422

Depreciation for the years ended December 31

2017	Thousand Baht	32,218
2016	Thousand Baht	31,261

As at December 31, 2017 and 2016, 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 334 million and Baht 296 million, respectively (The Separate Financial Statement: Baht 303 million and Baht 272 million, respectively).

14. INTANGIBLE ASSETS

Intangible assets as at December 31, 2017 and 2016 consisted of the following:

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS							
For the year ended December 31, 2017							
Useful lives		Cost		Accumulated amortisation			Intangible assets
		Balance as at January 1, 2017	Increase (decrease)	Balance as at December 31, 2017	Balance as at January 1, 2017	Increase	Balance as at December 31, 2017
Deferred derivatives							
agent license fee	5 years	5,336	-	5,336	5,336	-	5,336
Computer softwares	5 and 7 years	176,836	25,276	202,112	124,221	19,794	144,015
Computer softwares under development	-	14,320	992	15,312	-	-	-
Total		196,492	26,268	222,760	129,557	19,794	149,351

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS							
For the year ended December 31, 2016							
Useful lives		Cost		Accumulated amortisation			Intangible assets
		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
Computer softwares under development	-	15,603	(1,283)	14,320	-	-	-
Total		185,893	10,599	196,492	117,776	11,781	129,557

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS							
For the year ended December 31, 2017							
Useful lives		Cost		Accumulated amortisation			Intangible assets
		Balance as at January 1, 2017	Increase (decrease)	Balance as at December 31, 2017	Balance as at January 1, 2017	Increase	Balance as at December 31, 2017
Deferred derivatives							
agent license fee	5 years	5,336	-	5,336	5,336	-	5,336
Computer softwares	5 years	134,049	19,505	153,554	98,150	14,556	112,706
Computer softwares under development	-	14,320	(479)	13,841	-	-	-
Total		153,705	19,026	172,731	103,486	14,556	118,042

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS
For the year ended December 31, 2016

		Cost		Accumulated amortisation			Intangible assets
		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
	Useful lives						
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
Computer softwares under development	-	15,603	(1,283)	14,320	-	-	-
Total		144,147	9,558	153,705	93,883	9,603	103,486

As at December 31, 2017 and 2016, 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 amortisation of those assets amounted to approximately Baht 81 million and Baht 67 million, respectively (The Separate Financial Statement: Baht 73 million and Baht 60 million, respectively).

15. PROPERTIES FORECLOSED

Properties foreclosed as at December 31, 2017 and 2016 consisted of the following:

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS
December 31, 2017 December 31, 2016

Cost	33,697	34,825
<u>Less</u> Allowance for impairment	<u>(3,241)</u>	<u>(3,269)</u>
Properties foreclosed	<u>30,456</u>	<u>31,556</u>

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

16. DEFERRED TAX ASSETS/LIABILITIES

As of December 31, 2017 and 2016, deferred tax assets/liabilities arose as a result of the following transactions:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS December 31, 2017	FINANCIAL STATEMENTS December 31, 2016	FINANCIAL STATEMENTS December 31, 2017	FINANCIAL STATEMENTS December 31, 2016
Deferred tax assets				
Derivatives assets and liabilities	-	-	-	-
Investments	-	1,975	-	-
Property, plant and equipment	(277)	(421)	-	-
Intangible assets	1,403	1,092	-	-
Accrued expenses	274	35	-	-
Provision for long-term employee benefits	3,569	2,805	-	-
Provision for liabilities	644	810	-	-
Total deferred tax assets	<u>5,613</u>	<u>6,296</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Derivatives assets and liabilities	2,342	4,906	2,342	4,906
Investments	24,917	20,854	24,917	20,854
Property, plant and equipment	342	588	342	588
Intangible assets	(6,094)	(5,267)	(6,094)	(5,267)
Accrued expenses	-	(800)	-	(800)
Provision for long-term employee benefits	(17,955)	(14,948)	(17,955)	(14,948)
Provision for liabilities	(2,973)	(2,888)	(2,973)	(2,888)
Total deferred tax liabilities	<u>579</u>	<u>2,445</u>	<u>579</u>	<u>2,445</u>

As at December 31, 2017 and 2016, 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.

17. OTHER ASSETS

Other assets as December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS December 31, 2017	FINANCIAL STATEMENTS December 31, 2016	FINANCIAL STATEMENTS December 31, 2017	FINANCIAL STATEMENTS December 31, 2016
Payments of compensation fund for clearing and settlement	69,159	62,063	69,159	62,063
Asset for protecting the clearing system	56,581	43,534	56,581	43,534
Deposits	36,791	36,892	31,777	31,881
Fees and service income receivables	12,151	14,542	8,983	9,415
Accrued interest income	19,276	16,945	18,039	16,097
Prepaid expenses	21,389	22,689	9,033	8,419
Others	6,044	5,555	4,767	4,224
Total	<u>221,391</u>	<u>202,220</u>	<u>198,339</u>	<u>175,633</u>

18. BORROWINGS FROM FINANCIAL INSTITUTIONS

Borrowings from financial institutions as at December 31, 2017 and 2016, were all domestic borrowings in Baht currency, which were classified as follows.

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2017				
	Interest rate per Annum (percent)	Remaining periods to maturity		Total
		At call	Within 1 year	
Borrowings from financial institutions				
Promissory notes	1.70	2,800,000	900,000	3,700,000
Total		<u>2,800,000</u>	<u>900,000</u>	<u>3,700,000</u>

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	1,700,000
Total		<u>800,000</u>	<u>900,000</u>	<u>1,700,000</u>

19. SECURITIES BUSINESS PAYABLES AND DERIVATIVES BUSINESS PAYABLES

Securities business payables and Derivatives business payables as at December 31, 2017 and 2016 consisted of the following:

Unit: Thousand Baht

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	December 31, 2017	December 31, 2016
Payables under cash accounts		
- Equity securities	1,898,294	2,591,791
- Debt securities and derivatives	935,329	309,010
Payables under securities borrowing and lending business		
- Securities borrowing payables	600,231	657,427
- Guarantee deposit payables	154,336	360,055
Total securities business payables and derivatives business payables	<u>3,588,190</u>	<u>3,918,283</u>

20. DEBTS ISSUED AND BORROWINGS

Debts issued and borrowings as at December 31, 2017 and 2016, were all domestic borrowings in Baht currency, which were classified as follows.

Unit: Thousand Baht				
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2017				
	Interest rate per annum (percent)	Remaining periods to maturity		Total
		At call	Within 1 year	
Debts issued and borrowings				
Bill of exchange	1.70	-	2,175,642	2,175,642
Structured notes	7.32	-	207,124	207,124
Total		-	2,382,766	2,382,766

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 borrowings				
Bill of exchange	1.61	-	1,398,544	1,398,544
Structured notes	5.95	-	79,859	79,859
Total		-	1,478,403	1,478,403

21. SUBORDINATED LOANS FROM SUBSIDIARIES

As at December 31, 2017 and 2016, 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, 2017 and 2016, subordinated loan amounted to Baht 1,500 million, which is due for repayment on August 31, 2020.
- (b) As at December 31, 2017 and 2016, subordinated loan amounted to Baht 436.5 million, which is due for repayment on August 31, 2020.

22. 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 were as follows:

	CONSOLIDATED		Unit: Thousand Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Defined benefit obligation at beginning of years	88,765	71,387	74,739	60,664
Current service costs	16,580	14,306	13,384	11,492
Interest costs	3,776	3,072	3,155	2,583
Remeasurement				
Actuarial (gain) loss arising from changes in				
- Demographic assumptions	16,134	-	16,134	-
- Financial assumptions	(2,746)	-	(2,746)	-
- Experience	(14,599)	-	(14,599)	-
Benefits paid during the years	(1,133)	-	(290)	-
Defined benefit obligation at end of the years	<u>106,777</u>	<u>88,765</u>	<u>89,777</u>	<u>74,739</u>

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, 2017	For the years ended December 31, 2016	For the years ended December 31, 2017	For the years ended December 31, 2016
Current service costs	16,580	14,306	13,384	11,492
Interest costs	3,776	3,072	3,155	2,583
Total expense recognised in profit or loss	<u>20,356</u>	<u>17,378</u>	<u>16,539</u>	<u>14,075</u>

Principal actuarial assumptions at the valuation dates were as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017 (% per annum)	2016 (% per annum)	2017 (% per annum)	2016 (% per annum)
Future salary incremental rates	3.50-6.50	3.50 - 6.50	3.50-5.00	3.50 - 5.00
Turnover rates	14.00-16.90	16.90 - 17.20	14.00	17.20
Discount rates	2.94-3.61	3.58 - 3.61	2.94	3.58

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

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Salary incremental rates - 1% increase	10,698	10,365	8,625	8,790
Salary incremental rates - 1% decrease	(9,546)	(9,176)	(7,716)	(7,779)
Discount rate - 0.25 increase	(2,431)	(2,042)	(2,030)	(1,706)
Discount rate - 0.25 decrease	2,513	2,109	2,099	1,761

23. 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, 2017 and 2016, the Company had not yet issued the above ESOP warrants.

24. 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.

25. 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.

26. BROKERAGE FEES

Brokerage fees income for the years ended December 31, 2017 and 2016 consisted of the following:

	Unit: Thousand Baht	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	For the years ended	
	December 31,	
	2017	2016
Brokerage fees from securities business	705,862	833,100
Brokerage fees from derivatives business	211,174	212,837
Total brokerage fees	<u>917,036</u>	<u>1,045,937</u>

27. FEES AND SERVICE INCOME

Fees and service income for the years ended December 31, 2017 and 2016 consisted of the following:

	Unit: Thousand Baht	
	CONSOLIDATED	SEPARATE
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	For the years ended	For the years ended
	December 31,	December 31,
	2017	2016
Mutual fund management	361,765	385,772
Private fund management	70,680	54,068
Provident fund management	11,958	8,305
Registrar and custodian	79,852	86,734
Securities borrowing and lending	6,918	7,751
Underwriting	25,139	31,001
Financial advisory	6,946	6,846
Placement agent	11,675	15,383
Sales agent of investment units		
Over-the-Counter	53,408	39,413
Others	43,858	34,179
Total fees and service income	<u>672,199</u>	<u>669,452</u>

28. GAINS AND RETURN ON FINANCIAL INSTRUMENTS

Gains and return on financial instruments for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the years ended		FINANCIAL STATEMENTS	
	December 31,		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Gains on securities	144,019	291,553	134,145	301,427
Gains on derivatives	910,902	873,291	910,902	873,291
Interest and dividend income	272,977	259,909	268,391	254,975
Total gains and return on financial instruments	<u>1,327,898</u>	<u>1,424,753</u>	<u>1,313,438</u>	<u>1,429,693</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 "Employee benefits expenses".

Management's remuneration for the years ended December 31, 2017 and 2016 were as follows:

	CONSOLIDATED		Unit: Thousand Baht	
	FINANCIAL STATEMENTS		SEPARATE	
	For the years ended		FINANCIAL STATEMENTS	
	December 31,		For the years ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Short-term employee benefits	239,473	231,760	172,796	176,021
Long-term employee benefits				
- Post-employment benefits	17,337	11,433	13,108	7,791
Total	<u>256,810</u>	<u>243,193</u>	<u>185,904</u>	<u>183,812</u>

31. OTHER EXPENSES

Other expenses for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,		For the years ended December 31,	
	2017	2016	2017	2016
Premises and equipment expenses	219,824	205,328	176,645	166,537
Communication and information expenses	55,476	54,267	46,854	46,564
Professional fee	22,782	20,053	12,947	10,928
Publication and marketing expenses	43,976	37,159	13,658	13,492
Entertainment expenses	29,097	32,574	27,418	27,648
Traveling expenses	29,962	30,159	23,298	21,879
Taxation	7,803	6,084	7,667	5,916
Software amortisation	19,794	18,728	14,556	13,738
Bank fees	10,007	9,782	8,764	8,909
Stationery and office supplies	8,190	8,747	7,131	7,967
Others	10,690	13,738	6,131	10,424
Total	<u>457,601</u>	<u>436,619</u>	<u>345,069</u>	<u>334,002</u>

32. 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 December 31, 2017 and 2016. The funds of the Company and its subsidiary are managed by One Asset Management Limited and TMB 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, 2017 and 2016, Baht 23.9 million and Baht 22.3 million, respectively, were contributed to the fund by the Company and its subsidiary. (The Separate Financial Statements: Baht 16.7 million and Baht 15.9 million, respectively).

33. EARNINGS PER SHARE

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

Earnings per share for the years ended December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2017	2016	2017	2016 "Restated"
Profits for the years (Baht)	886,882,976	1,022,368,072	886,882,976	1,022,368,072
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)	0.45	0.51	0.45	0.51

34. INCOME TAX EXPENSES

Income tax expenses for the years ended December 31, 2017 and 2016 consisted of the following:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2017	2016	2017	2016
Current income taxes				
Current income tax charge	218,720	267,484	185,427	232,454
Adjustments in respect of current income taxes of previous year	1,933	3,524	2,106	3,524
Deferred income taxes				
Relating to origination and reversal of temporary differences	(1,506)	(13,606)	(2,189)	(10,646)
Income tax expense reported in profit or loss from operation	<u>219,147</u>	<u>257,402</u>	<u>185,344</u>	<u>225,332</u>

Reconciliation between income tax expenses and the product of accounting profits for the years ended December 31, 2017 and 2016 and applicable tax rates can be shown as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS For the years ended December 31, 2017 2016 "Restated"	
	2017	2016	2017	2016
Accounting profit before tax expenses	<u>1,107,220</u>	<u>1,280,941</u>	<u>1,072,227</u>	<u>1,247,700</u>
Applicable tax rates ⁽¹⁾	20%	20%	20%	20%
Accounting profits before income tax expenses multiplied by applicable tax rates	222,757	257,559	214,445	249,540
Adjustments in respect of income taxes of previous year	1,933	3,524	2,106	3,524
Tax effects of:				
Tax exempted revenue	(1,717)	(1,924)	(1,717)	(1,924)
Over recorded income tax of prior year	(4,081)	(6,598)	(4,223)	(6,598)
Non tax-deductible expenses	<u>255</u>	<u>4,841</u>	<u>(25,267)</u>	<u>(19,210)</u>
Income tax expense reported in profit or loss from operation	<u>219,147</u>	<u>257,402</u>	<u>185,344</u>	<u>225,332</u>
Average effective tax rate	20%	20%	17%	18%


⁽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 year ended December 31, 2017 and 2016. 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.

35. RELATED PARTY TRANSACTIONS

35.1 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	 KGI Securities Company Limited is a major shareholder of these related companies and is an indirect major shareholder of the Company
KGI Hong Kong Limited	
KGI Futures (Hong Kong) Limited	
KGI Securities (Singapore) Pte. Ltd.	
KGI Futures (Singapore) Pte. Ltd.	

35.2 Significant business transactions with its related parties

During the years ended December 31, 2017 and 2016, the Company and its subsidiaries had significant business transactions with its related parties. Those transactions, which were 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.

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,		SEPARATE FINANCIAL STATEMENTS For the years ended December 31,		Unit: Thousand Baht
	2017	2016	2017	2016	Pricing Policies
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
<u>Fees and service income</u>					
One Asset Management Limited	-	-	2,810	2,446	Fees at the rate as a percentage of net asset value of fund servicing or as specified in the contracts
<u>Transactions with related parties</u>					
<u>Brokerage fee income</u>					
KGI Securities Company Limited	352	289	352	289	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 Securities (Singapore) Pte. Ltd.	1,454	609	1,454	609	
KGI Asia Limited	88	125	88	125	
<u>Custodian fee income</u>					
KGI Asia (Holdings) Pte. Ltd.	517	111	517	111	Baht 15 of every Baht 1 million securities outstanding value each day
<u>Commission fee expenses</u>					
KGI Futures (Hong Kong) Limited	-	2	-	2	Mutually agreed-upon fee
KGI Futures (Singapore) Pte. Ltd.	-	22	-	22	
<u>Service fee expenses for developing computer system</u>					
KGI Securities Company Limited	597	-	597	-	Actual amount based on agreement
<u>Transactions of subsidiaries with related parties</u>					
<u>Management fee expenses</u>					
KGI Hong Kong Limited	637	664	-	-	Negotiated rate base on prevailing market Rates
<u>Transactions with management and directors</u>					
<u>Brokerage fee income</u>					
KGI Securities (Thailand) Plc.	144	166	144	166	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	3,780	3,780	3,780	Negotiated rate base on prevailing market Rates

35.3 Outstanding balances

The outstanding balances with their related parties as at December 31, 2017 and 2016 were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Thousand Baht SEPARATE FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<u>Securities business receivables and Derivatives business receivables</u>				
<i>Transactions with management and directors</i>				
KGI Securities (Thailand) Plc.	11,106	-	11,106	-
<u>Accrued service fees (presented as a part of “Other assets”)</u>				
<i>Subsidiary</i>				
(Eliminated from the consolidated financial statements)				
One Asset Management Limited	-	-	584	477
<i>Related company</i>				
KGI Asia (Holdings) Pte. Ltd.	46	111	46	111
<u>Capital expenditure for developing computer system (presented as a part of “Intangible assets”)</u>				
<i>Related company</i>				
KGI Securities Company Limited	17,488	19,133	17,488	19,133
<u>Advances to related companies of subsidiaries (presented as a part of “Other assets”)</u>				
KGI Asia Limited	739	811	-	-
<u>Securities business payables and Derivatives business payables</u>				
<i>Related company</i>				
KGI Securities Company Limited	-	5,754	-	5,754
KGI Securities (Singapore) Pte. Ltd.	2,487	-	2,487	-
<i>Transactions with management and directors</i>				
KGI Securities (Thailand) Plc.	-	100	-	100
<u>Advances received (presented as a part of “Other liabilities”)</u>				
<i>Subsidiary</i>				
(Eliminated from the consolidated financial statements)				
KGI Securities (Thailand) International Holdings Limited	-	-	1,220	1,337
<i>Related company</i>				
KGI Securities Company Limited	7,132	3,569	7,132	3,569
<u>Other payables and advance received from related companies of subsidiaries (presented as a part of “Other liabilities”)</u>				
<i>Related companies</i>				
KGI Hong Kong Limited	774	2,521	-	-
<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

36. DIVIDENDS

The Company

During the years ended December 31, 2017 and 2016 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 2016	Annual General Meeting of the Company’s shareholders on April 11, 2017	756,838	0.38
Total for the year ended December 31, 2017		756,838	0.38
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

Domestic subsidiary

During the years ended December 31, 2017 and 2016, the Annual General Meeting (“AGM”) of the 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)
Annual dividend for the year 2016	Annual General Meeting of the subsidiary company’s shareholders on March 30, 2017	73,500	7.00
Total for the year ended December 31, 2017		73,500	7.00
Interim dividend from retained earnings as of December 31, 2015	Board of Directors’ Meeting of the subsidiary on May 25, 2016	73,500	7.00
Total for the year ended December 31, 2016		73,500	7.00

37. 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, 2017 and 2016.

	Unit: Million Baht									
	For the years ended December 31,									
	Securities		Investment		Security		Asset management		Consolidated	
	brokerage segment		banking segment		trading segment		segment		financial statements	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external	1,051	1,132	43	77	1,264	1,377	577	544	2,935	3,130
Total revenues	1,050	1,131	27	55	1,286	1,404	577	544	2,940	3,134
Profits by segment	452	527	12	41	860	1,017	170	172	1,494	1,757
Unallocated revenues and expenses:										
Interest income									79	86
Other income									17	9
Operating expenses									(359)	(476)
Interest expenses									(124)	(96)
Income taxes									(219)	(257)
Profit attributable to non-controlling interests									(1)	(1)
Profits for the periods									887	1,022

The following table presents assets by operating segment as at December 31, 2017 and 2016.

	Unit: Million Baht					Consolidated financial statements
	Securities brokerage segment	Investment banking segment	Security trading segment	Asset management segment	Unallocated assets	
Segment assets						
As at December 31, 2017	5,938	-	9,721	509	857	17,025
As at December 31, 2016	5,993	-	6,899	457	783	14,132

38. COMMITMENTS AND CONTINGENT LIABILITIES

38.1 Contingent liabilities from litigation cases

As at December 31, 2017, 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 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, the client has filed a petition asked for Court's permission to appeal the lawsuit to the Supreme Court, but such petition was dismissed in January 2017. Therefore, the client has filed an appeal to such ruling in February 2017. Currently, this petition is under consideration by the Appeal Court. However, the Company has already recorded the liabilities of Baht 0.2 million for the year 2014.
- (3) 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. Then, in May 2017, the ruling was affirmed by the Appeal Court and the plaintiff did not appeal with the Supreme Court within the timeframe provided. Therefore, the lawsuit was absolute and final.

- (4) 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 for the year 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 lawsuit was dismissed in a ruling made by the Court of First Instance, and then, in July 2017, the ruling was affirmed by the Appeal Court and the plaintiff did not appeal with the Supreme Court within the timeframe provided. Therefore, the lawsuit was absolute and final.

38.2 Commitments

As at December 31, 2017 and 2016, significant commitments were 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:

	CONSOLIDATED		Unit: Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Payable within:				
1 year	142	136	116	115
Over 1 year but not over 5 years	178	267	161	235
Over 5 years	-	1	-	1
Total	320	404	277	351

- (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. 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 873,857 and USD 678,364, 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 5.4 million and Baht 5.1 million, respectively. No due date is stipulated in the agreement.
- (5) As at December 31, 2017 a subsidiary had capital commitment of approximately Baht 2.4 million relating to computer software under instalment and Baht 0.5 million relating to office renovation.

38.3 Commitments in respect of derivatives trading

Derivatives as at December 31, 2017 and 2016 were as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2017				
	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 : assets	34,127	28,443	-	-
Futures : liabilities	-	-	299,586	48,475
Options	350	1,903	1,473	6,621
Total derivatives on future market	34,477	30,346	301,059	55,096
Derivatives on the Stock Exchange of Thailand				
Warrants	5	94,025	-	-
Derivative warrants	-	-	175	471,330
Total Derivatives on the Stock Exchange of Thailand	5	94,025	175	471,330
Over-the-Counter derivatives (OTC)				
Interest Rate Swap	1	5,869	1	5,243
Exotic options	15	1,263	-	-
Total Over-the-Counter derivatives (OTC)	16	7,132	1	5,243

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
December 31, 2016				
	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 : assets	-	-	326,943	11,196
Futures : liabilities	1,261	1,345	-	-
Options	1,097	5,587	12	49
Total derivatives on future market	2,358	6,932	326,955	11,245
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

39. 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.

39.1 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.

39.2 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, 2017 and 2016, 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) were as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS										
Outstanding balance of financial instruments as at December 31, 2017										
	Fixed interest rate						Total	Interest rates		Effective interest rates
	Floating interest rate	Remaining period to the contractual reprising date or maturity date				Without interest		Floating Percentage	Fixed Percentage	
		Within 1 year	1 - 5 years	Over 5 years	Unspecified					
<u>Financial Assets</u>										
Cash and cash equivalents	262	-	-	-	-	60	322	0.58	0.94	0.58
Securities purchased under resale agreements	-	360	-	-	-	-	360	-	2.50	2.50
Receivables from Clearing House and broker - dealers	274	-	-	-	-	207	481	1.32	-	1.32
Securities business receivables and Derivatives business receivables	81	2,872	-	-	-	3,637	6,590	0.77	6.00	5.86
Accrued fees and service income from asset management business	-	-	-	-	-	53	53	-	-	-
Derivatives assets	-	-	-	-	-	132	132	-	-	-
Investments	-	417	200	245	-	7,760	8,622	-	2.96	2.76
<u>Financial liabilities</u>										
Borrowings from financial institution	2,800	900	-	-	-	-	3,700	1.75	1.57	1.70
Securities sold under repurchase agreements	-	403	-	-	-	-	403	-	1.54	1.54
Payables to Clearing House and broker - dealers	-	-	-	-	-	109	109	-	-	-
Securities business payables and Derivatives business payables	-	-	-	-	-	3,588	3,588	-	-	-
Accrued fees and service expenses from asset management business	-	-	-	-	-	13	13	-	-	-
Derivatives liabilities	-	-	-	-	-	532	532	-	-	-
Debts issued and other borrowings	-	2,383	-	-	-	-	2,383	-	2.19	2.19

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Outstanding balance of financial instruments as at December 31, 2016

	Fixed interest rate						Total	Interest rates		Effective
	Remaining period to the contractual					Without interest		Floating Percentage	Fixed Percentage	interest rates Percentage
	Floating interest rate	reprising date or maturity date								
		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
Securities purchased under resale agreements	-	370	-	-	-	-	370	-	2.52	2.52
Receivables from Clearing House and broker - dealers	216	-	-	-	-	1,901	2,117	1.39	-	1.39
Securities business receivables and Derivatives business receivables	35	1,971	-	-	-	3,093	5,099	0.77	6.00	5.91
Accrued fees and service income from asset management business	-	-	-	-	-	59	59	-	-	-
Derivatives assets	-	-	-	-	-	72	72	-	-	-
Investments	-	206	132	-	-	5,243	5,581	-	2.10	2.13
<u>Financial liabilities</u>										
Borrowings from financial institution	800	900	-	-	-	-	1,700	1.70	1.57	1.63
Securities sold under repurchase agreements	-	540	-	-	-	-	540	-	1.57	1.57
Securities business payables and Derivatives business payables	-	-	-	-	-	3,918	3,918	-	-	-
Accrued fees and service expenses from asset management business	-	-	-	-	-	10	10	-	-	-
Derivatives liabilities	-	-	-	-	-	260	260	-	-	-
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, 2017

	Fixed interest rate						Total	Interest rates		Effective
	Remaining period to the contractual					Without interest		Floating	Fixed	interest rates
	Floating interest rate	reprising date or maturity date								
		Within 1 year	1 - 5 years	Over 5 years	Unspecified					
Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
<u>Financial Assets</u>										
Cash and cash equivalents	123	-	-	-	-	60	183	0.78	0.94	0.78
Securities purchased under resale agreements	-	360	-	-	-	-	360	-	2.50	2.50
Receivables from Clearing House and broker - dealers	274	-	-	-	-	207	481	1.32	-	1.32
Securities business receivables and Derivatives business receivables	81	2,872	-	-	-	3,637	6,590	0.77	6.00	5.86
Derivatives assets	-	-	-	-	-	132	132	-	-	-
Investments	-	97	200	245	-	7,594	8,136	-	3.89	3.60
Investments in subsidiaries	-	-	-	-	-	2,602	2,602	-	-	-
<u>Financial liabilities</u>										
Borrowings from financial institution	2,800	900	-	-	-	-	3,700	1.75	1.57	1.70
Securities sold under repurchase agreements	-	403	-	-	-	-	403	-	1.54	1.54
Payables to Clearing House and broker - dealers	-	-	-	-	-	109	109	-	-	-
Securities business payables and Derivatives business payables	-	-	-	-	-	3,588	3,588	-	-	-
Derivatives liabilities	-	-	-	-	-	532	532	-	-	-
Debts issued and other borrowings	-	2,383	-	-	-	-	2,383	-	2.19	2.19
Subordinated loans from subsidiary companies	-	-	-	-	-	1,937	1,937	-	-	-

Unit: Million Baht

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

	Fixed interest rate						Total	Interest rates		Effective
	Remaining period to the contractual					Without interest		Floating Percentage	Fixed Percentage	interest rates
	reprising date or maturity date									
	Floating interest rate	Within 1 year	1 - 5 years	Over 5 years	Unspecified					
<u>Financial Assets</u>										
Cash and cash equivalents	146	-	-	-	-	63	209	0.69	0.85	0.69
Securities purchased under resale agreements	-	370	-	-	-	-	370	-	2.52	2.52
Receivables from Clearing House and broker - dealers	216	-	-	-	-	1,901	2,117	1.39	-	1.39
Securities business receivables and Derivatives business receivables	35	1,971	-	-	-	3,093	5,099	0.77	6.00	5.91
Derivatives assets	-	-	-	-	-	72	72	-	-	-
Investments	-	1	124	-	-	5,064	5,189	-	2.52	2.04
Investments in subsidiaries	-	-	-	-	-	2,564	2,564	-	-	-
<u>Financial liabilities</u>										
Borrowings from financial institution	800	900	-	-	-	-	1,700	1.70	1.57	1.63
Securities sold under repurchase agreements	-	540	-	-	-	-	540	-	1.57	1.57
Securities business payables and Derivatives business payables	-	-	-	-	-	3,918	3,918	-	-	-
Derivatives liabilities	-	-	-	-	-	260	260	-	-	-
Debts issued and other borrowings	-	1,478	-	-	-	-	1,478	-	1.85	1.85
Subordinated loans from subsidiary companies	-	-	-	-	-	1,937	1,937	-	-	-

39.3 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.

39.4 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, 2017 and 2016, counting from the statements of financial position date were as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
as at December 31, 2017						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	261	-	-	-	61	322
Securities purchased under resale agreements	-	360	-	-	-	360
Receivables from Clearing House and broker - dealers	-	481	-	-	-	481
Securities business receivables and						
Derivatives business receivables	-	3,689	29	-	2,872	6,590
Accrued fees and service incomes from						
asset management business	-	53	-	-	-	53
Derivatives assets	-	130	2	-	-	132
Investments	-	417	200	245	7,760	8,622
<u>Financial liabilities</u>						
Borrowing from financial institutions	2,800	900	-	-	-	3,700
Securities sold under repurchase agreements	-	403	-	-	-	403
Payables to Clearing House and broker - dealers	-	109	-	-	-	109
Securities business payables and						
Derivatives business payables	-	3,588	-	-	-	3,588
Accrued fees and service expenses from						
asset management business	-	13	-	-	-	13
Derivatives liabilities	-	532	-	-	-	532
Debts issued and other borrowings	-	2,383	-	-	-	2,383

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
Securities purchased under resale agreements	-	370	-	-	-	370
Receivables from Clearing House and broker - dealers	-	2,117	-	-	-	2,117
Securities business receivables and						
Derivatives business receivables	-	3,099	29	-	1,971	5,099
Accrued fees and service incomes from						
asset management business	-	59	-	-	-	59
Derivatives assets	-	59	13	-	-	72
Investments	-	206	132	-	5,243	5,581
<u>Financial liabilities</u>						
Borrowing from financial institutions	800	900	-	-	-	1,700
Securities sold under repurchase agreements	-	540	-	-	-	540
Securities business payables and						
Derivatives business payables	-	3,918	-	-	-	3,918
Accrued fees and service expenses from						
asset management business	-	10	-	-	-	10
Derivatives liabilities	-	248	12	-	-	260
Debts issued and other borrowings	-	1,478	-	-	-	1,478

Unit: Million Baht

SEPARATE FINANCIAL STATEMENTS

as at December 31, 2017

	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
<u>Financial assets</u>						
Cash and cash equivalents	122	-	-	-	61	183
Securities purchased under resale agreements	-	360	-	-	-	360
Receivables from Clearing House and broker - dealers	-	481	-	-	-	481
Securities business receivables and						
Derivatives business receivables	-	3,689	29	-	2,872	6,590
Derivatives assets	-	130	2	-	-	132
Investments	-	97	200	245	7,594	8,136
Investments in subsidiaries	-	-	-	-	2,602	2,602
<u>Financial liabilities</u>						
Borrowing from financial institutions	2,800	900	-	-	-	3,700
Securities sold under repurchase agreements	-	403	-	-	-	403
Payables to Clearing House and broker - dealers	-	109	-	-	-	109
Securities business payables and						
Derivatives business payables	-	3,588	-	-	-	3,588
Derivatives liabilities	-	532	-	-	-	532
Debts issued and other borrowings	-	2,383	-	-	-	2,383
Subordinated loans from subsidiary companies	-	-	1,937	-	-	1,937

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
Securities purchased under resale agreements	-	370	-	-	-	370
Receivables from Clearing House and broker - dealers	-	2,117	-	-	-	2,117
Securities business receivables and						
Derivatives business receivables	-	3,099	29	-	1,971	5,099
Derivatives assets	-	59	13	-	-	72
Investments	-	1	124	-	5,064	5,189
Investments in subsidiaries	-	-	-	-	2,564	2,564
<u>Financial liabilities</u>						
Borrowing from financial institutions	800	900	-	-	-	1,700
Securities sold under repurchase agreements	-	540	-	-	-	540
Securities business payables and						
Derivatives business payables	-	3,918	-	-	-	3,918
Derivatives liabilities	-	248	12	-	-	260
Debts issued and other borrowings	-	1,478	-	-	-	1,478
Subordinated loans from subsidiary companies	-	-	1,937	-	-	1,937

39.5 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, 2017 and 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.

39.6 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.

39.6.1 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, 2017	Fair value December 31, 2016	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	94,025	43,042	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Futures	28,443	11,196	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Options	1,903	5,587	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	5,869	12,572	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	1,263	2	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

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS					
Financial assets/ Financial liabilities	Fair value December 31, 2017	Fair value December 31, 2016	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs and relationship of unobservable inputs to fair value ⁽¹⁾
Investments					
Trading securities					
Listed securities	7,572,319	5,043,397	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	445,512	123,969	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	166,523	178,114	Level 2	Net asset values of the last working day of the reporting period	-
Debt securities	97,469	-	Level 3	Estimate the investment value of debt securities at the fixed interest rate.	The lower rate of interest, the higher fair value
Financial Liabilities					
Derivatives Liabilities					
Derivatives warrants	471,330	246,533	Level 1	Latest offer prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Futures	48,475	1,345	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Options	6,621	49	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	5,243	12,343	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

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

Financial assets/ Financial liabilities	Fair value December 31, 2017	Fair value December 31, 2016	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	94,025	43,042	Level 1	Latest bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Futures	28,443	11,196	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Options	1,903	5,587	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	5,869	12,572	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	1,263	2	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
Investments					
Trading securities					
Listed securities	7,572,319	5,043,397	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	445,512	123,696	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					
Debt securities	97,469	-	Level 3	Estimate the investment value of debt securities at the fixed interest rate.	The lower rate of interest, the higher fair value
Financial Liabilities					
Derivatives Liabilities					
Derivatives warrants	471,330	246,533	Level 1	Latest offer prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	-
Futures	48,475	1,345	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Options	6,621	49	Level 1	Settlement prices of the last working day of the reporting period as quoted on Futures Exchange	-
Interest Rate Swap	5,243	12,343	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

39.6.2 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, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Carrying amount/ Fair value	Carrying amount/ Fair value	Carrying amount/ Fair value	Carrying amount/ Fair value
				"Restated"
<u>Financial assets</u>				
Cash and cash equivalents	322,235	392,297	183,468	209,034
Securities purchased under resale agreements	360,000	370,000	360,000	370,000
Receivables from Clearing House and brokers – dealers	481,468	2,117,085	481,468	2,117,085
Securities business receivables and Derivatives business receivables	6,590,015	5,098,933	6,590,015	5,098,933
Accrued fees and service incomes from asset management business	52,818	59,238	-	-
Held-to-maturity securities	319,153	214,695	2	622
General investments	20,750	20,750	20,750	20,750
Investments in subsidiaries	-	-	2,602,213	2,563,629
<u>Financial liabilities</u>				
Borrowing from financial institutions	3,700,000	1,700,000	3,700,000	1,700,000
Securities sold under repurchase agreements	403,000	540,000	403,000	540,000
Payables to Clearing House and brokers - dealers	109,313	-	109,313	-
Securities business payables and Derivatives business payables	3,588,190	3,918,283	3,588,190	3,918,283
Accrued fees and service expenses from asset management business	12,990	9,927	-	-
Debts issued and other borrowings	2,382,766	1,478,403	2,382,766	1,478,403
Subordinated loans from subsidiary companies	-	-	1,936,500	1,936,500

40. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors' meeting of the Company No. 1/2018 held on February 26, 2018 passed a resolution to propose to the Annual General Meeting of the Company's shareholders for an approval of dividend payment of Baht 0.32 per share, or a total of approximately Baht 637 million from the earnings of the January 1, 2017 to December 31, 2017 period. The dividend will be paid in May 2018.

The Board of Directors' meeting of the subsidiary company No. 1/2018 held on February 23, 2018 passed a resolution to propose to the Annual General Meeting of the subsidiary Company's shareholders for an approval of dividend payment of Baht 14.25 per share, or a total of approximately Baht 150 million from retained earnings as of December 31, 2017. The dividend will be paid in April 2018.

41. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 26, 2018.



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