

Globlex Holding Management Public Company Limited

2017 ANNUAL REPORT

รายงานประจำปี 2560



Holding Management
Public Company Limited

บริษัท โกลเบล็ก โฮลดิ้ง แมนเนจเม้นท์ จำกัด (มหาชน)
Globlex Holding Management Public Company Limited

Globlex

ผู้ถือหุ้น

เปรียบผู้ถือหุ้น คือ โครงสร้างอันแข็งแกร่งขององค์กร ที่พร้อมจะเดินหน้าสร้างธุรกิจ และสามารถต้านแรงเสียดทานจากความกดดันรอบด้านได้อย่างตลอดรอดฉลุย

พนักงาน

เปรียบเสมือนกลไกหรืออวัยวะภายในอันละเอียดอ่อน ทำงานประสานสอดคล้อง เพื่อให้องค์กรรุดหน้าไปตามกลยุทธ์ ทิศทาง และระยะเวลาที่กำหนดไว้

ลูกค้า

เปรียบเสมือนปัจจัยที่หล่อเลี้ยงกลไกหรืออวัยวะให้มีพลังและแรงขับเคลื่อนไปข้างหน้า เปรียบเสมือนเรือเพลิงหรือเส้นเลือดที่สนับสนุนการทำงาน ของทั้งโครงสร้างและกลไกทุกส่วนในองค์กร

สามประสาน+ความใส่ใจ

ภารกิจของบริษัท โกลเบล็ก โฮลดิ้ง แมนเนจเม้นท์ จำกัด (มหาชน) คือการรวมพลังสามประสาน เพื่อนำไปสู่เป้าหมายเดียวกัน คือ บรรลุความสำเร็จทางธุรกิจพร้อมกับความสุขของพนักงาน และความพึงพอใจของลูกค้า ภายใต้บรรยากาศความใส่ใจในชุมชนและสังคมที่เราอยู่ร่วมกัน



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Vision

Focus on being a leading intermediary, trading partner, and professional consultant for investment in commodities and equity to satisfy the needs of every type of investors.



Mission

- Return maximum value to shareholders/stockholders.
- Be committed to provide customized services in response to clients' diverse needs and to meet their expectations.
- Develop employee's competencies and skills on a regular basis to enable them to work in an efficient and professional manner and to keep abreast of changing technology.
- Create and maintain a favorable work environment to keep employees' satisfaction and loyal to the organization.
- Be a transparent & accountable organization and give cooperation to the authorities in business development and governance.
- Be responsible for and attach to importance of society and environment.
- Support for all forms of anti-corruption, money laundering and terrorism.





Message from the Chairman of the Board of Directors

Dear Shareholders,

In 2017, the global economy improved on continuing lower unemployment and stronger consumption in the U.S. and the European Union (EU) which prompted the U.S. Federal Reserve to lower its policy interest rate three times. Meanwhile, the Thai economy benefited from higher than expected number of visitors which boosted the tourism sector and over 5% exports growth. Furthermore, the Thai government stimulated the economy by setting up the infrastructure mutual fund and initiated the Eastern Economic Corridor (EEC) project. The Stock Exchange of Thailand (SET) index closed at year-end 2017 at 1,753.71 points, up 210.77 points from 1,542.94 points at year-end 2016, with average daily trading volume of Baht 50.11 billion, down by 4.6% from Baht 52.53 billion at year-end 2016. Meanwhile, gold bars price closed at year-end 2016 at US\$1,551.67 an ounce, up by 13.11% from US\$151.03 an ounce at the beginning of 2016. The global gold price in 2017 was supported by the weak US dollar.

Globlex Holding Management Plc reported Baht 52.56 billion consolidated revenue for 2017 operations, down by Baht 4.04 billion earned in 2016 due to lower sales of gold bars and decline in securities business revenue; resulting in a lower profit of Baht 1.6 million compared to Baht 40.8 million in 2016. The lower revenue prompted Globlex to seek revenue from other businesses rather than to rely mainly on its securities brokerage fee income. In 2018, new securities related business will comprise of debt instruments (bonds/debentures) trading, including in secondary market and financial advisory service. A team of staffs have formed since 2017 to support the new businesses.

For 2018, Globlex Holding Management Plc sees conducive investment climate in the capital market due to improving economies of the U.S. and other major nations, the possible interest rate hike by the U.S. Federal Reserve, the movement of the U.S. dollar relative to other major currencies, Thai exports growth, major infrastructure investments, state agencies views on Block Chain technology, technology developments in the Thai money and capital markets and the next Thai general election in early 2019.

During the past 15 years, Globlex Holding Management Plc has operates its businesses in compliance to good corporate governance, social responsibility, environmental preservation and supports anti-corruption campaigns. In 2016, Globlex Holding Management Plc has been accepted by the Thai private business sector's Collective Action Coalition (CAC) committee formed to support anti-corruption measures.

On behalf of the board of directors, we would like to extend our thanks and appreciation to the shareholders, customers, staffs and stakeholders who continued to strongly support our business operations.

Mr. Oran Koohapremkit

Chairman of the Board of Directors

Board of Directors



1

Mr. Oran Koohapremkit
Chairman

2

Miss Vilailuck Skulpakdee
Chairman of Audit and
Corporate Governance
Committee and
Independent Director

3

Mr. Suthep Pongpitak
Audit and Corporate
Governance Committee
and Independent
Director

4

Mr. Suporn Thammaraks
Audit and Corporate
Governance Committee
and Independent Director

5

Mr. Tharaphut Kuhapremkit
Director and
Managing Director

Report of the Audit Committee for the Fiscal Year 2017

The Audit Committee of Globlex Holding Management Public Company Limited consists of 3 independent directors. In 2017, the Audit Committee held altogether 8 meetings. The Audit Committee performed its duties and responsibilities as assigned by the Board of Directors of the Company under the provisions and practice guidelines for an audit committee issued by the Stock Exchange of Thailand.

The Audit Committee's meeting which can be outlined as follows:

- Examined the quarterly financial statements and the annual financial statements for the year 2016 in consultation with the executives in finance and through an exchange of ideas with the auditors about the procedures of examining and cross checking of the financial statements of the Company and about the assessment results of internal control activities of the Company by which the Company and its subsidiaries had acted in accordance with generally accepted accounting standards, disclosed the information about related party transactions, associated transactions and others that may induce conflicts of interests.
- The Audit Committee and the office of audit and compliance jointly review internal control and risk management, using assessment checklists to analyze and evaluate the adequacy and effectiveness of internal control and risk management systems. The audit committee gives advice and makes recommendations on the improvement and amendment of action plan and has a joint discussion about an appropriate internal control and risk management system to be put in place and about a monitoring plan to detect and fix any flaws in the system.
- Encouraged the Company and its subsidiaries to establish an effective internal control system for performing various activities in an accountable and transparent manner, especially on the disclosure of information of the Company as required by law such as the Company's plan for risk control and management. The Audit Committee reviewed a monthly report of the compliance department and made helpful comments to the Board of Directors, on a monthly basis, for an area where improvement is needed to ensure good corporate governance under the policy, law, regulation and laws on the provisions related to securities companies and the Stock Exchange of Thailand. The top executives and the examined employees of the Company were cooperative and attached great importance to error rectification as reported and commented.
- Reviewed associated transactions to ensure compliance with the policies of the Company and adherence to corporate governance principles, by the full and transparent disclosure of information to the authorities involved and the shareholders of the Company, such as related party transactions and others that may induce conflicts of interests or insider trading, as well as by the full and transparent disclosure of information to investors through the website of the Company.
- Follow-up, review policy and risks evaluation, the potential risk exposures pertaining to fraud and corruption in various business activities.
- Considered audit fee and proposed the appointment of the auditor of the Company.

The Audit and Corporate Governance Committee summarized its findings of the Company and subsidiaries' internal and risk management system for the year 2017. The Audit and Corporate Governance Committee, the management, the internal/external auditors and audit committee agreed that the Company's internal control and risk management system are adequate and appropriate. The Company's accounting/ financial reports and disclosure of information are in accordance with general accounting/and audit standards and practice.

After having considered the performance of the external auditor in the previous year, the Audit Committee proposes the appointment of the auditor from Deloitte Touche Tohmatsu Jaiyos Co.,Ltd., as the auditor of the Company for the fiscal year 2018 and proposes the audit fee for the meeting of the shareholders, through the Board of Directors of the Company, to consider the appointment and approval thereof.

Miss Vilailuck Skulpakdee
Chairman of the Audit and Corporate Governance Committee

Business Operation

1. Policy and Business Operation Overview

Globlex Holding Management Public Company Limited (“The Company”) was registered as a publicly listed company on the Thai Stock Exchange since October 2004 with a registered capital of Baht 1,460,000,000 (paid-up capital Baht 1,089,076,392). The Company’s main objective is serves as an investment holding company for other firms and to engage in trading of gold bars as follows:

Investment Business

The Company holds 99.9% in 3 subsidiaries – Globlex Securities Co., Ltd. which core companies seeking to list on the Thai Stock Exchange, Capital One Partners Co.,Ltd. (Formerly named Globlex Connect Co., Ltd.) which provide financial advisory service and Asia Equity Venture Co., Ltd. which engages in the business of investing in other companies. The followings are details on the three subsidiaries of Globlex Holding Management Plc:

1. Globex Securities Co., Ltd.

Globex Securities Co., Ltd., a wholly-owned (99.99%) subsidiary, was established on July 31, 2002 with a registered paid-up capital of Baht 500 million. The Securities Company which is the 25th member of the Stock Exchange of Thailand is authorized by the Securities Exchange Commission and the Stock Exchange of Thailand to operate as a securities brokerage firm, serve as securities underwriter, investment advisor, derivatives and securities borrowing and lending.

2. Capital One Partners Co.,Ltd. (Formerly named Globlex Connect Co., Ltd.)

Capital One Partners Co., Ltd., a wholly-owned (99.99%) subsidiary, was established in February 2004 with a registered paid-up capital of Baht 30 million, to operate financial advisory.

3. Asia Equity Venture Co., Ltd.

Asia Equity Venture, a wholly-owned (99.99%) subsidiary, was established in June 2006 with a registered paid-up capital of Baht 20 million to engage in investment activities in companies not related in financial business. The aim is set up a segregated investment structure from securities, financial, other investments of publicly listed firms, government bonds, debentures, etc. The emphasis is on investment in small to medium enterprises (SMEs), businesses supported by government policies, or businesses which are beneficial to Thailand’s trade and economic system. Investment in such businesses has yet to take place.

Gold trading Business

The Company engaged in trading of gold bars since 2009 after becoming a membership of Gold Traders Association and Thai Gem and Jewelry Traders Association. Initially, the Company focused on investment, but has now expanded operations to cover investment and savings tools. Today, gold bars trading is the Company’s main business which contributed the most in terms of revenue.

As of December 31, 2017, the Company and its subsidiaries recorded total assets of Baht 2,957.54 million, total liabilities of Baht 1,578.57 million and shareholder’s equity of Baht 1,378.97 million. For the year ended December 31, 2017, the Company and its subsidiaries revenue was Baht 52,557.56 million and net gain of Baht 1.60 million. Sales income from gold bars accounted for 98.96%, Securities brokerage income accounted for 0.71%.

2. Business operations vision

The Globlex Group engages in trading of gold bars through Globlex Holding Management Plc and securities business via Globlex Securities Co., Ltd. The following is the business operations vision of the Globlex Group:

- Serve as a leader, an intermediary, trading partner and investment advisor for various groups of clients
- Create good image and reputation as a provider of integrated/investment service and broad range of financial products, gold bars, securities, futures and derivatives
- Achieve sustainable growth by maintaining existing clients base and broaden new clients base through providing service which meet the needs of each client group
- Regularly develop and update technology used to support business operations and clients
- Maintain high quality standards of securities/investment analysis reports; organize investment seminars to keep clients well-informed
- Participate in activities related to social and environmental responsibility
- Support for all forms of anti-corruption, money laundering and terrorism

3. Shareholding Structure of Globlex Group

The Company's major shareholder is Koohapremkit Family Group. The Company has investments in subsidiaries with the shareholding structure of Globlex Group as at December 31, 2017 as follows :



General Information

Globlex Holding Management Public Company Limited

Head Office : 87/2 CRC All Seasons Place 12th Floor, Wireless Road, Lumpini, Patumwan, Bangkok 10330

Registration Number : PLC 0107574700435

Website : www.globlexholding.co.th

Telephone : 0-2672-5995

Fax : 0-2672-5996

Globlex Securities Company Limited

Head Office : 87/2 CRC All Seasons Place 8th, 12th Floor, Wireless Road, Lumpini, Patumwan, Bangkok 10330

Registration Number : PLC 0105545078214

Website : www.globlex.co.th

Telephone : 0-2672-5999, 0-2672-5959

Fax : 0-2672-5888

Branch Offices (Globlex Securities Co.,Ltd.) : Bangkok and Vicinities

Pinklao Branch	7/129, Suite 21603, Central Plaza Pinklao, 16 th Floor, Baromrachachonnanee Road, Aroonamarin, Bangkok-noi, Bangkok 10700
Telephone	0-2884-9519
Fax.	0-2884-9515
Prachachuen Branch	20/264 M9, Suite GSW 4-5, Sport City, Prachachuen Road, Bangtalad, Pakkred, Nonthaburi 11120
Telephone	0-2575-2535
Fax.	0-2575-2536
Rarm Intra Branch	589/7-9 The Promenade 3 Floor, Suit P-3006A, Rarm Intra Road, Kan Na Yao, Bangkok 10230
Telephone	0-2041-6488
Fax.	0-2041-6486-7

Branch Offices (Globlex Securities Co.,Ltd.) : The Provinces

Chiangmai Branch

Telephone

Fax.

2, Central Airport Plaza, Suit 2A146,
Mahidol Road, Tambol Haiya, Muang, Chiangmai 50100
0-5390-3599
0-5390-3605

Nakhon Ratchasima Branch

Telephone

Fax.

581/3 Jomsurangyart, Tambol Nai Muang,
Amphoe Muang Nakhon Ratchasima, Nakhon Ratchasima Province 30000
0-4425-2861
0-4425-2873

Pak Chong Branch

Telephone

Fax.

499 Mittraphap Road, Tambol Pak Chong,
Amphoe Pak Chong, Nakhon Ratchasima Province 30130
0-4431-2542-3, 0-4431-2552-3
0-4431-2544

Ubon Ratchathani Branch

Telephone

Fax.

240/5-6 Upalisan Road, Tambol Nai Muang,
Amphoe Muang Ubon Ratchathani, Ubon Ratchathani Province 34000
0-4599-7900
0-4599-7909

Chonburi Branch

Telephone

Fax.

55/88, 55/89, 55/91 Moo 1, Central Plaza Chonburi, 3rd Floor,
Room no. 368, Samet, Muang Chonburi, Chonburi 20000
0-3805-3762
0-3805-3919

OTHER REFERENCES

Share Registrar

Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building, Rachadapisek Road,
Dindaeng, Bangkok 10400, Thailand.
Telephone 0-2009-9999

Auditor (Accounting Year of 2017)

Mr. Wonlop Vilaivaravit (CPA Number 6797)
Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.
11/1 AIA Sathorn Tower 23Th - 27Th Fl., South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120, Thailand
Telephone 0-2034-0000

Legal Advisors

Common Low and Associates Co.,Ltd.
86/12 Ratchadapisek Road, Chankasem Sub district, Chatuchak District,
Bangkok 10900

Financial Highlights

Financial Ratio of Globlex Holding Management Public Company Limited and its subsidiaries

Financial Ratios of the Company and its subsidiaries	2014	2015	2016	2017
Profitability Ratios				
Gross Profit Margin ⁽¹⁾	0.072%	0.070%	0.070%	0.086%
Net Profit Margin	0.097%	0.035%	0.072%	0.003%
Return on Equity	2.46%	0.85%	2.91%	0.11%
Return on Investment ⁽²⁾	247.33%	263.05%	136.54%	38.61%
Efficiency Ratios				
Return on Assets	1.55%	0.50%	1.56%	0.06%
Assets Turnover (Times)	15.98	14.33	21.61	18.32
Financial Ratios				
Liquid Assets to Borrowing (Times) ⁽³⁾	N/A	N/A	N/A	N/A
Earning Assets to Borrowing (Times) ⁽³⁾	N/A	N/A	N/A	N/A
Liquid Assets to Total Assets	58.53%	53.38%	51.73%	53.27%
Earning Assets to Total Assets	32.71%	37.62%	36.61%	44.40%
Debt / Equity (Times)	0.64	0.77	0.97	1.14
Dividend Pay-out	N/A	193.09%	82.58%	N/A
Other Ratios				
Investment in Securities to Assets	3.56%	3.23%	5.93%	15.33%

Remark ⁽¹⁾ The above ratios are calculated according to the financial statements of the Securities Company which is unable to determine the gross profit margin of the Company since the consolidated statements does not separate the securities business expenses.

⁽²⁾ Return on investment is calculated by divide gain (loss) on trading in securities and interest and dividend by average current investments-net.

⁽³⁾ As of December 31, 2014-2017, the Company had no outstanding loans.

Revenue Structure

Revenue structure of Globlex Holding Managemnet Public Company Limited and its subsidiaries since the year 2014-2017

Globlex Holding Managemnet Public Company Limited

Revenue	2014		2015		2016		2017	
	Baht	%	Baht	%	Baht	%	Baht	%
	Thousand		Thousand		Thousand		Thousand	
Revenues from sales	34,326,342	99.77%	33,291,895	99.91%	55,960,647	99.92%	52,011,021	99.98%
Interest and dividend income	81,746	0.23%	21,749	0.06%	41,293	0.07%	1,552	-
Gain (Loss) on securities	110	0.01%	-	-	(661)	-	3,403	0.01%
Gain (Loss) on derivatives	-	-	-	-	-	-	2,237	0.01%
Gain (Loss) from on trading in gold bar	(6,680)	-0.02%	-	-	-	-	-	-
Other incomes	2,314	0.01%	9,299	0.03%	2,726	0.01%	1,512	-
Total Revenues	34,403,832	100.00%	33,322,943	100.00%	56,004,005	100.00%	52,019,725	100.00%

Globlex Securities Company Limited

Revenue	2014		2015		2016		2017	
	Baht	%	Baht	%	Baht	%	Baht	%
	Thousand		Thousand		Thousand		Thousand	
Brokerage fees	633,056	83.94%	491,595	80.29%	481,939	76.33%	378,602	69.68%
Fees and services income	5,669	0.75%	2,006	0.35%	21,753	3.45%	62,575	11.52%
Gain (Loss) on securities and derivatives	48,432	6.42%	40,712	6.63%	59,698	9.45%	40,286	7.41%
Interest and dividend income	33,107	4.39%	35,662	5.82%	27,404	4.34%	31,373	5.77%
Interest on margin loans	25,718	3.41%	39,167	6.40%	36,279	5.75%	28,599	5.26%
Other incomes	8,210	1.09%	3,115	0.51%	4,291	0.68%	1,932	0.36%
Total Revenues	754,192	100.00%	612,257	100.00%	631,364	100.00%	543,367	100.00%

Nature of Business

a) Globlex Holding Management Public Company Limited

The Company's primary business is a holding company with main investment in 3 wholly owned subsidiaries i.e., Globlex Securities Co., Ltd. , Capital One Partners Co.,Ltd. (Formerly named Globlex Connect Co., Ltd.) and Asia Equity Venture Co.,Ltd. as of December 31, 2017. The Company also invests in various investments included money instruments such as treasurer bills, bonds , proprietary trade and securities in the SET according to the Company's investment policy.

The Company began trading in gold bars in 2009 for the purpose of business expansion to include a vehicle for savings in addition to the existing vehicles for investment. Nowadays, the gold-bar trading business generates the largest share of income. The Company is a member of Gold Traders Association and Thai Gem and Jewelry Association. Trade transactions are conducted via phones, the internet and a direct purchase at the Company's office. Pick up and delivery services are also provided within designated areas.

During 2017, the Company engaged in Gold-D futures trading which Thailand Futures Exchange Plc. (TFEX) facilitated for TFEX members and clients of members who can physically deliver, or take delivery of gold bars as of September 20, 2017. In August 2017, Thailand Clearing House Co., Ltd. (TCH) granted permission for the Company to serve as delivery agent (DA) for the gold bars and to oversee the deposit / withdrawal gold bars, as well as quality inspection. Apart from serving as delivery agent for TCH, the Company's role as a delivery equalizer (DE) helps create balance in Gold-D Futures trading at TFEX.

The products consist of 96.50% pure gold bars under the "GLOBLEX" brand name and 99.99% pure gold bars under top foreign brands. The minimum weight for trading in a 96.50% pure gold bar starts at 5 baht of gold while the minimum weight for trading in a 99.99% pure gold bar starts at 1 kilogram or 65.6 baht of gold.

The Company also provides many other services for the convenience of customers. Especially, having a subsidiary in securities trading and holding 99.99 percent shares therein helps strengthen the overall image of Globlex group as an integrated and complete service provider on investment and savings vehicles offering the widest range of services when compared with other bullion trading companies and other securities firms in Thailand.

The Company's products currently available to serve the demand for gold trading of domestic customers are detailed as follows:

Products	96.50 % Pure Gold Bars	99.99 % Pure Gold Bars
Weight	5 Baht Gold 10 Baht Gold 20 Baht Gold 50 Baht Gold	Kilogram
Brand	GBX	GBX Foreign brands in accordance with LBMA standards
Minimum Trading Volume	5 Baht Gold	One kilogram

The Company provides a variety of services for customers' convenience such as pick up and delivery of products within designated areas, the facilitation of contract conversion of gold futures into gold, automatic transfer system (ATS), short message service (SMS) to provide customers with news updates and price information, research on gold prices, and advice on investment in gold, trading hours from 8.30 AM–24.00 PM and gold savings program. The details of major services are as follows.

Analysis Research Report on Gold Price Movement and Advisory Service on Investment in Gold

The Company has produced a daily gold price analysis report as a tool to help customers make the right decision, analysis by those interested in www.globlexgold.com ; whilst, the Company has furnished marketing staffs specializing in investment in gold to give advice to customers thereon.

Delivery Service

For the convenience of customers, the Company provides goods delivery service to customers within a zone designated by the Company. The delivery fee will not be imposed on a customer who buys or sells gold bars in a large amount.

Payment Service through Automated Transfer System (ATS)

For the convenience and safety of customers in settling/receiving the payment, the Company in cooperation with several leading domestic banks is offering payment services through automated transfer system (ATS). After being authorized, the Company will deduct money from a customer's bank account. In the case that a customer sends instructions for gold selling, the Company will transfer money into that customer's bank account after the Company receives gold from that customer.

Trading Hours from 8.30 AM–24.00 PM

As gold price movements happen almost around the clock especially a drastic swing during the night time or the opening hours of the stock exchanges in Europe and USA in which investors in Thailand may lose opportunity to trade; hence, in order to provide customers with increased opportunities and reduced risks for their investment, the Company extends gold bar trading hours from 08.30 AM-24.00 PM without break and open trading in special holiday. Moreover, customers are allowed to leave their trading orders for gold bars of 96.50% and 99.99% purity from 08.30 AM-12.00 PM.

Gold Savings Program

The Company created another investment product i.e. investment through gold savings program by which customers may opt-in for regular gold purchase on a monthly basis with equal monthly investments in accordance with the principle of dollar cost averaging. The minimum monthly investment is 1,500 Baht and customers may increase their investments gradually in order to serve the needs of retail customers, who cannot put a large amount of money for long term investment at one time.

Gold bars trading via mobile application

The Company has added iOS and Android mobile applications to facilitate gold trading for clients.

News and information service

The Company's news and information are disseminated via SMS and social media, such as LINE (I.D. is @globlexgold) and Facebook (Facebook.com/Globlexgold)

Overview of gold trade in 2017

Gold prices in the world markets as of year-end 2017, rose by US\$151.03/ ounce, or up by 13.11% to close at US\$1,302.70/ounce, compared to US\$1,151.67/ounce in the beginning of 2017. During 2017, gold price peaked at US\$1,346.25/ounce and drop to the lowest point at US\$1,151.00/ounce. The gold market in 2017 provided satisfactory investment returns relative to 2016, providing a gain of US\$90.77/ounce, or up by 8.56% (year-end closing price 2015 of US\$ 1,060.90/ounce to closed to at US\$1,151.67/ounce). Supporting factor for price of gold in 2017 was the U.S. dollar depreciation, amid factors which caused price volatilities, such as central banks economic stimulus measures (e.g. interest rates hikes/cuts) and stocks markets rallies which reflected improving world's economies. Meanwhile, the Middle-East situation between Israel and Palestine following the U.S. official recognition of Jerusalem as the capital of Israel and U.S.-North Korea tension contributed to higher demand for safe investment asset such as gold and price increase of gold towards year-end 2017.

As for the local price of gold in 2017, the return was less than the world's gold price modest with year-end 2016 price of gold (96.5% pure) closed at Baht 19,750/baht-weight, and closed at year-end 2017 at Baht 20,050/baht-weight, up by only Baht 300/per baht-weight, or equivalent to 1.52%. This was due to the Baht to US dollar 9.14% appreciation at Baht 32.540/US\$ in 2017 relative to Baht 35.815/US\$ at year-end 2016. Domestic gold price during 2017 rose to a peak of Baht 21,200/baht-weight and was lowest at Baht 19,250/per baht-weight.

Gold market outlook in 2018

The world's gold market is expected to be pressured by interest rate adjustments by the central banks in various countries as they seek to curb rising inflation. This could contribute to gold price volatility as U.S. Federal Reserve Monetary Policy Committee meeting approaches, or could push demand for gold as safe haven asset to tackle inflation. Investors could use this reasoning to support their buy/sell decisions which can cause gold price volatility during the year. However, world's gold price markets could close in positive territory for the third straight year, especially if world's gold prices closed above US\$1,380/ounce. This would be a technical break out in the past 4 years, causing gold price to rise to US\$1,520/ounce, which is the next major resistance level. If gold price could not rise above US\$1,380/ounce, gold price could swing between US\$1,270/ounce to US\$1,380/ounce in 2017.

Factors contributing to the gold price outlook in 2017, comprise of Baht / U.S. dollar exchange rate. The U.S. dollar depreciated sharply since the U.S. central bank, or Federal Reserve raised the interest rate. Previously, the US dollar had appreciated considerably when the Federal Reserve chose not to continue with the quantitative economic stimulus measures policy, but rather to raise interest rate for the first time instead. The world's stocks markets expect the Federal Reserve to adjust the interest rate about 3 times in 2018. However, if the interest rate adjustment is less than 3 times, the impact on gold price would be minimal. The strong Baht trend is expected to continue this year, especially with hope that a Thai general election can take place in early 2019. However, if the general election is postponed beyond the first quarter of 2019, the Baht could weakened significantly in the short-term and boost domestic gold price during that period.

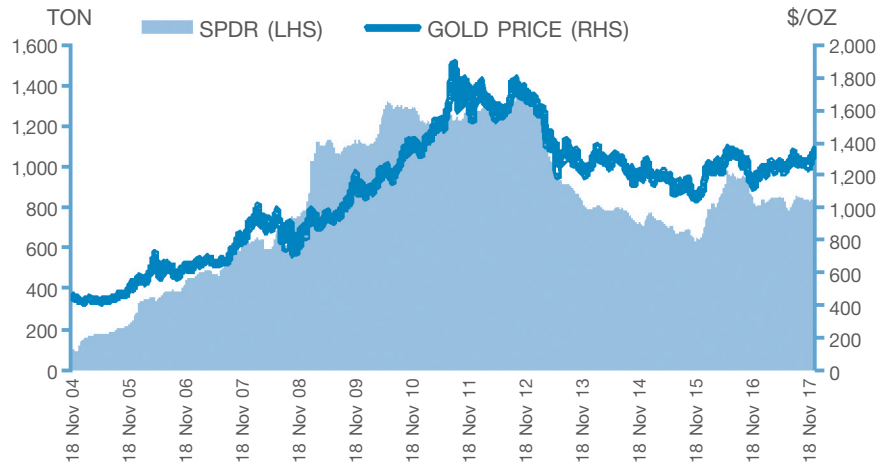
Factors to monitor in 2018

1. Movement of the U.S. dollar relative to other currencies (+)
2. Stability of economic recovery in the U.S. and major countries
3. Monetary policies of U.S. and European central banks
4. Political conflicts among various nations
5. Possibility of next Thai general election within 2018 and early 2019 (-)
6. Rising popularity and wide acceptance of Crypto currencies

Gold Price Chart (2016-2017)



Total NAV Tonnes in the Trust (SPDR) and Gold Price



b) Globlex Securities Company Limited

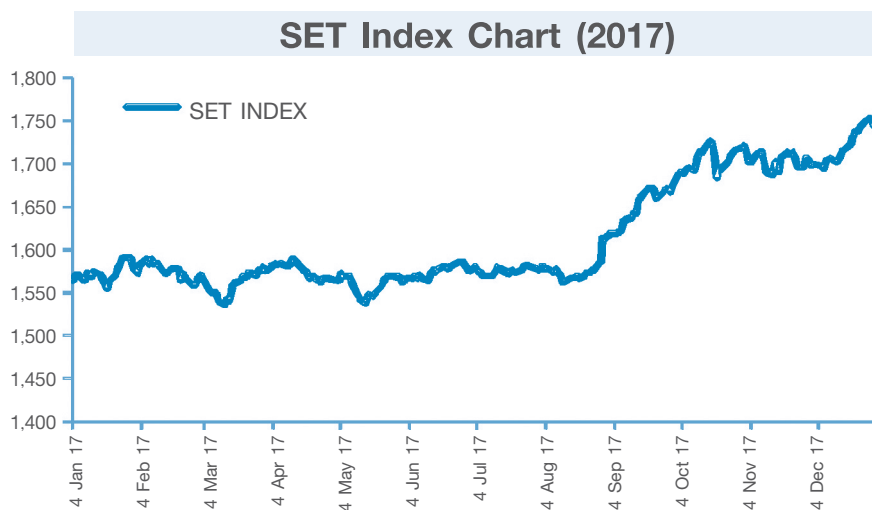
Globlex Securities Co.,Ltd. ("The Securities Company") engages in securities-related business as follows:

1. Securities Brokerage

The Securities Company being SET member No. 25 since September 2002, provides securities brokerage and other related services to clients in return for commissions, fees and other compensations. Additionally, there are other business activities such as securities borrowing & lending and credit balance accounts for the provision of services to retail, institutional and corporate investors. The Securities Company places emphasis on the brokerage of securities to support the standards of providing services universally and thoroughly. Presently, the Company has its principal office and a total of 9 branches, 3 of which are in Bangkok i.e. Pinklao, Prachacheun and Rarm Intra, while the other 7 are in various provinces i.e. Chiangmai, Nakorn Rachasima, Pakchong, Ubol Rachathanee and Choburi. The Securities Company still has a plan for business expansion to provide services nationwide.

Securities trading in 2017

The Stock Exchange of Thailand (SET) index as of year-end 2017 stood at 1,753.71 points, up by 210.77 points from the 2016, with average SET and Market for Alternative Investment (MAI) daily trading value at Baht 50.11 billion, down by 4.59% from the Baht 52.53 billion in 2016. On January 3, 2017, SET index closed at 1,563.58 points and bottomed out at 1,535.51 points on January 13, 2017, and peaked at 1,753.71 points at December 29, 2017. Clients who traded securities comprised of general investors (78.55%) and institutional investors (11.01%) and companies investment portfolios (10.44%). The following is the overall securities business in 2015 to 2017:



Market Data of SET 2014-2017

	2014	2015	2016	2017
Total Trading Turnover of SET and MAI (M. Baht)	11,139,291	10,765,468	12,816,259	12,227,747
Daily Average Trading turnover (M. Baht)	45,466	44,302	52,526	50,114
Market Capitalization (M. Baht)	14,239,358	12,606,232	15,504,636	17,926,270
SET Index (Point)	1,497.67	1,288.02	1,542.94	1,753.71
MAI Index (Point)	700.05	522.62	616.27	540.37
Dividend Yield SET (%)	2.94	3.36	3.04	2.70
Dividend Yield MAI (%)	0.87	1.00	1.24	1.42
P/E Ratio SET	17.81	22.57	18.55	19.06
P/E Ratio MAI	69.63	52.94	63.27	106.13
Number of securities listed on the SET	1,566	1,665	1,838	2,052
Number of securities listed on the MAI	150	166	178	203

Source : <http://www.setsmart.com/ism/marketstatistics.html>

Globlex Securities Co., Ltd.'s daily trading volume during the past 3 years were Baht 2.13 billion in 2015, Baht 2.02 billion in 2016, Baht 1.71 billion in 2017; comprising of cash, credit balance, and internet accounts. The following is Globlex securities Co., Ltd.'s clients segregated by types and trading accounts during 2015 to 2017 including general securities market situation:

	2014		2015		2016		2017	
Number of securities listed on the SET	1,566		1,646		1,838		2,052	
Number of securities listed on the MAI	150		166		178		203	
Market Ranking	15		16		25		25	
Total number of Brokers	34		37		36		38	
Market share (%)	2.73		2.64		2.15		1.91	
Total trading turnover of the SET and MAI* (Million Baht)	11,139,291		10,765,468		12,816,259		12,227,747	
Total Company's trading volume (Million Baht)	590,925		555,873		540,727		442,817	
Classified by type of Clients (Million Baht) of Globlex Securities Co.,Ltd.	Trading Value	Proportion (%)	Trading Value	Proportion (%)	Trading Value	Proportion (%)	Trading Value	Proportion (%)
- Individuals	559,445	94.67%	516,578	92.93%	496,389	91.81%	410,266	92.64%
- Institutional	5,093	0.86%	1,354	0.24%	675	0.12%	8,225	0.19%
- Others (Corporate, portfolio, etc)	26,386	4.47%	37,941	6.83%	43,663	8.07%	24,326	7.17%
Classified by type of Accounts (Million Baht)	Trading Value	Proportion (%)	Trading Value	Proportion (%)	Trading Value	Proportion (%)	Trading Value	Proportion (%)
- Cash Account	405,087	68.46%	371,557	66.84%	397,517	73.52%	325,420	73.49%
- Casht Balance Account	146,691	24.82%	162,860	29.30%	117,939	21.81%	91,817	20.73%
- Credit Balance Account	39,146	6.63%	21,456	3.86%	25,271	4.67%	25,580	5.78%

In 2017, Globlex Securities Co., Ltd. continues to retain current clients and expand new clients base, together with broaden brokerage and non-brokerage businesses to mitigate investment volatilities, such as marketing promotions securities borrowing and lending (SBL) and various online securities/derivatives investment platform systems to facilitate convenience to the investors, such as Settrade, I2Trade, Stock Radars and MT4 for TFEX. The aim is to provide investment knowledge and Model Trade to clients investing in securities/derivatives, expand clients base to include mutual funds trading and improve service quality for institutional investors/investment bankers clients groups. The importance of new generation clients group has prompted Globlex Securities Co., Ltd.'s to organize the 4th Supertrader competition project in November 2017. The competition has attracted 1,500 participants for the past 4 years.

As for the securities analysis service, Globlex Securities Co., Ltd. has a team of experienced securities analysts to provide general and technical quality reports and timely investment information to clients to help them make appropriate investment decisions. During 2017, Globlex Securities Co., Ltd. strived to improve the quality of its securities/investment reports together with providing more investment analysis reports for new stocks. More details are available at www.globlex.co.th Furthermore, Globlex Securities Co., Ltd. has also prepared investment analysis reports for SET-50 Index Futures and Options, Gold Futures and Single Stock Futures to assist clients with their investment decision-making.

Securities business outlook in 2018

In 2018, Globlex Securities Co., Ltd. aims to adjust to the Thailand 4.0 economic environment which requires continuing information technology (IT) developments, such as AI Data to assist clients general information processing and Application Online Trading One-Stop; for all operating systems.

In addition, Globlex Securities Co., Ltd. plans to offer new business option for all clients groups, such as new investment products for High Net Worth securities/bonds clients via Structured Notes and Cross-Selling in foreign markets, and financial advisory service for various businesses under investment banking, as well as expand business/clients base for Block Trade and Credit Balance clients groups. As for the operations and support side, Globlex Securities Co., Ltd. will continue to focus on cost management, by adopting E-forms system to digitally store and manage various documents under efficient IT system, as well as offering online accounts in compliance to SET and SEC regulations.

2. Securities Trading Business

The Securities Company has a policy to invest in both debt and equity instruments under the supervision of the Investment Committee.

3. Investment Advisory Business

Currently, the Securities Company has not offered this kind of service.

4. Financial Advisory and Underwriting Business

The Securities Company has been granted an approval from the SEC to provide financial advisory services. In 2017, the Securities Company acted as co-underwriter to newly issued ordinary shares for 6 company namely Megachem (Thailand) Public Company Limited, Firetrade Engineering Public Company Limited, Triplie I Logistics Public Company Limited, Chiangmai Rimdoi Public Company Limited, Rich Sport Public Company Limited and Sakol Energy Public Company Limited.

Additionally, the Securities Company also offers comprehensive securities placement services i.e., perform as a lead underwriter as a consequent of being financial advisor, join as an underwriter to underwrite all securities types such as government bond, state enterprise bond, common share, preferred share, debenture, debenture with derivatives and act as the selling agent.

5. Sale support representative and mutual funds units redemption service

The Securities Company has expanded its business as Investment Unit Selling and Redemption Agent Business that now acting as representative of 12 Asset Management Companies.

In 2018, the Securities Company was also negotiating with 11 other mutual funds firms to serve as sale support representative and provide mutual funds units redemption service. This is to ensure a wide-range of mutual funds from various mutual funds companies and to serve as a trading platform for the new SET Trade Fund which will provide more convenience to clients who only have to open a trading account once, but can trade in mutual funds from various mutual funds firms which Globlex Securities represents.

The Securities Company expect the mutual funds redemption representative business will generate boost overall revenue and become popular with today's investors who rely on mutual funds as a form of short-term savings. The government is also encouraging more personal savings through investments in LTF and RMF funds via personal income tax deduction incentive. The validity period of this measure is expected to be extended to encourage more personal savings.

6. Private Fund Business

The Securities Company was granted the license to engage in the business of private fund management on 28 January 2008 and was approved by Securities and Exchange Commission (SEC) to commence the said operation on 1 October 2008, aiming to offer an alternative of wise investment to prospective investors under the management of an experienced and knowledgeable fund manager listed and certified by SEC. The private fund shall be prudently and professionally managed in accordance with investment and risk-prevention policies accepted by customers who shall be always taken care of by the experienced and dedicated fund manager, considering the delivery of maximum benefits for customers as the main focus. Additionally, a private fund investment committee is appointed to guide and to give the fund manager a broad perspective, to define a stock universe, to review the performance and risk exposure of each fund. A highly efficient computer program for private fund management is selected. A qualified custodian, meeting the qualifications as required by the authorities, is appointed. Customers' assets are separated from those of the Securities Company and other funds. The Securities Company is committed to performing fiduciary duties i.e. duty of loyalty and duty of care, independent fund management, prevention against a conflict of interest, and disclosure.

7. Securities Borrowing and Lending

The Securities Company received permission from the Securities Exchange Commission (SEC) to engage in securities borrowing and lending (SBL) since 2010. SBL helps boost liquidity in securities trading and is an option for managing risk and increase investor's returns. Investors who borrow securities for short-sell can reap risk management benefit, or use it for profit-taking when the market declines. Meanwhile, the securities lenders can gain from securities lending fees which they hold. Securities lenders can also request borrowers return their securities, or may choose to sell it at any time. Securities firms set aside collaterals with comparable value to protect securities lenders.

8. Bond Trading

The Securities Company as a member of the Thai Bond Market Association (Thai BMA) and Thailand Bond Exchange (TBX), the Securities Company provides bond trading such as bond short-term, bond long-term trading, bill exchange service to individual investors and domestic institutional investors. The offering of the two cases.

1. Public Offering : PO
2. Private Placement : PP
 - Institutional and High Net Worth Investor Offering : II&HNW
 - Other Private Placement Offering

In 2017, the Securities Company acted as co-underwriter bond for 14 company namely

1. Srisaeed Finance Public Company Limited
2. Chow Steel Industries Public Company Limited
3. Double A (1991) Public Company Limited
4. National Power Supply Public Company Limited
5. Asia Capital Group Public Company Limited
6. Grande Asset Hotels And Property Public Company Limited
7. Property Perfect Public Company Limited
8. Power Line Engineering Public Company Limited
9. Chaopraya Mahanakorn Public Company Limited
10. Thaifoods Group Public Company Limited
11. G Capital Public Company Limited
12. Major Development Public Company Limited
13. Singer Thailand Public Company Limited
14. Charn Issara Development Public Company Limited

9. Bond Trading in Secondary Market

The Securities Company operate in bond trading in secondary market by two business such as business in bond trading (Outright sales and purchases) and business in short-term loans to sell and buy back for the investors.

10. Derivatives Trading Business

As a member of the Thailand Futures Exchange (TFEX) since September 2009, Globlex Securities Co., Ltd.'s policy is to diversify its sources of revenue which the futures market is one option to help achieve that objective. Hence, the Securities Company has policies and plans to support its derivatives which include increase the number of marketing staffs with derivatives licenses to provide information on specific derivatives products to the clients and expand their investment options. Currently, the Securities Company place emphasis on all types of derivatives trading through Algorithm Trading and Robot Trading, including night session trading.

Derivatives trading in 2017

In 2017, the reference SET-50 index rose from 964.84 points to close at 1,135.14 points at year-end, up 170.35 points, or an increase of 17.65%, close to the 18.60% increase in 2016. The index moved within a narrow band during the first 8 months of 2017 prior to the stocks index rise which boosted the SET-50 to a new high. The lowest and highest points during the gradual increase was 963.58 and -1,145.14 points respectively. The major contributing factors were the global economic recovery, especially in nations with large economies, such as the U.S., coupled with the possibility of the next Thai general election in November 2018 as announced by the current prime minister.

Since 2017, most stocks markets worldwide, with the exception of the U.S., were hit by liquidity pressure imposed from major central banks, especially the three interest rate hikes by the U.S. Federal Reserve in 2017. Meanwhile, other central banks stopped cutting interest rates, reduced assets purchase size to stimulate the economy, including raising of interest rates in view of the improving economy, and to curb sharp rise in inflation in the future.

The Baht/US dollar exchange rate in 2017 appreciated by Baht 3.275/US dollar, or up by 9.144% from Baht 35.815/US dollar at year-end 2016 to Baht 32.540 at year-end 2017. In 2017, the Baht/ US dollar moved within Baht 32.540-35.815 range.

Derivatives trading outlook in 2018

- Block Trade, single stock futures consists of 98 reference stocks which are currently (or formerly) listed under SET-100. This offers futures market investors with wider stocks selections, including higher leverage strength futures offer relative to margin trading which contributes to the rising popularity of single stock futures via Block Trade, or big lot in the TFEX. In 2018, competition among securities firms to boosting their revenue from derivatives should increase relative to margin trading loans as in the past. Block Trade is more appealing to short-term speculative investors, while securities firms also benefit from interest income and trading fee.
- Robot Trading and Algo Trading systems which are commonly used in foreign futures markets for many years, have recently been implemented in Thailand. More securities firms are investing in Artificial Intelligence (AI) system to boost trading efficiency for clients. Use of higher technology such as, Robot Trading and AI system can reduce the time investors spend in front of their monitors and help TFEX investors achieve investment goals as emotion can interfere with decision-making.
- Introducing Agents—person/people who introduce list of potential investors/clients interested in opening up securities/derivatives trading accounts with the securities company in return for commission after trading transactions have been carried out via the security firm.
- Price war, or trading fee competition remains stiff, even though some securities companies are beginning to strengthen other areas to boost overall competitive edge over rivals. However, Discount Brokers and new securities firms still rely on price war, or lower fees to gain market shares. Hence, income growth rate from securities/derivatives trading business is not in the same proportion with the trading volume growth rate.
- Block Chain technology aims to reduce the reliance on the middleman/broker in trading of securities in the future if confidence over security and audit issues can be assured.

Issues which must be followed closely in 2018

1. Raising of interest rate by the central banks of various countries
2. Possibility of a general Thai election in 2018
3. State agencies' response to the adoption of Block Chain technology
4. Tax increase / collection by various state agencies
5. Competition in the development of technology in the capital market
6. Has price / fee competition bottomed out.

c) Capital One Partners Co.,Ltd. (Formerly named Globlex Connect Co.,Ltd.)

Capital One Partners Co.,Ltd., established on May 13, 2003. Currently, operate business as financial advisor.

d) Asia Equity Venture Co., Ltd.

Asia Equity Venture Co.,Ltd. established on June 15, 2006 in order to engage in a joint venture with non-financial business, under the investment policy and procedure as follows:

1. Study relevant information and analyze the feasibility of a project in which it shall co-invest with other entity and/or invest separately under its independent administration and management without any overlapping functions with Globlex Holding Management Public Company Limited and other companies within the Globlex group. The expected investment returns are dividends and capital gain in the case that the project company has its securities traded on the stock exchange.
2. The Company attaches great importance to invest in small and medium enterprises (SMEs) that have the potential for “high growth” and those in the business for which the government has given support and/or in the business that is beneficial to the economic and trade system of the country. However, the business lines in which Asia Equity Venture Company Limited wants to invest are production and service sectors, not finance. Other types of business the Company is looking into investment possibilities include government-backed alternative energy program, car industry, and real estate business, etc.

Risk Factors

Business Operation Risks

1.1 Gold bar business risk

The fluctuations in the world gold prices

As the core business of the Company is gold bar trading which the profitability depends on the effective management of margin between the buying cost of a gold bar and its selling price. In times of high fluctuations and drastic changes in the world gold prices, an actual margin may not fulfill the Company's prediction i.e. when the world gold prices rise steadily, domestic customers may want to buy rather than sell gold bars, thus lowering the Company's inventory level and additional purchase is needed to satisfy such steadily increasing demand. The cost of inventory purchased by the Company in the later period is probably higher than the selling prices in the preceding period, and the decline in the world gold prices may similarly make the Company suffers inventory loss. Moreover, the fluctuations in the world gold prices adversely affect gold bar trading environment in the domestic market. In duration of slight fluctuations or minimal changes in the world gold prices, domestic gold bar investors are likely to postpone their trading activities because they would like to wait and see a clearer price trend, thus resulting in the Company's lower sales than predicted.

The Company has operated the business in a prudent manner by striving to maintain inventory at a suitable level and making decisions based on information in the past, present, and future trends. With strong business allies both inside and outside the country, the Company does not need to keep excess inventory. Furthermore, the Company is equipped with derivative tool in the form of gold futures to manage risks.

Risk of high competition in the domestic market

Currently, there were a wide variety of gold-related products for customers to choose for their investment such as gold futures, mini gold futures, gold funds, Gold-D Futures etc. PR activities relating to investment in gold were continuously organized and domestic investors began to turn their attention to direct or indirect investment in the gold market, thus making more and more entrepreneurs shift their focus towards the market of retail investors and improve their services for the convenience of investors. Gold jewelry traders also jump on the bandwagon moving into the business of gold bar trading to serve customer's need for investment in gold instead of the purchase of gold jewelry for wearing purposes which the latter is likely to decline continuously. An intense competition in the industry is evident by new players turning themselves from gold jewelry traders into the gold investment market as well as launching new products i.e. small-sized Thai baht gold to serve the needs of retail investors.

Despite our competitors' constant increase in their new investment products and services, the Company remains unscathed because having Globlex Securities as a subsidiary enables the Company to provide customers with financial and investment services & solutions in an integrated manner which gives the Company an edge on competitors whether they are gold bar traders or securities companies. The Company is recognized as the only one entity in Thailand that is providing a full range of services covering securities, derivatives and gold bar trading, etc.

For 2017, the Company will strive to continue the clients base especially with the addition of iOS and Android mobile applications which should help clients trade gold more conveniently. Apart from SMS, the company also disseminate news and information to the clients through social media channel, such as LINE (I.D. @globlexgold) and Facebook (Facebook.com/Globlexgold).

Financial Liquidity

Liquidity problem may happen to companies and shops in the business of gold bar trading anywhere. When there is a drastic rise in the world gold prices, domestic investors prefer selling over buying, and those companies and shops are compulsory buyers. If they have insufficient cash to cope up with the flurry of selling activities by customers, nor are they able to clear out and turn some of their inventory into cash just in time, the past scenario of massive business closure of gold shops may recur and it will deprive customers of an opportunity to gain a handsome profit.

The Company's liquidity is well managed with a minimum cash reserve to support transaction activities with customers by estimating the sum from previous incidents and the tendency of gold price in the future as key information for making decisions. The Company has never encountered liability problems with customers in any case, and the Company's strong business allies constitute an advantage that enables the Company to quickly clear out and turn gold inventory into cash. In addition, the Company also set up credit lines with several banks to facilitate gold trading for clients.

Exchange Risk

As Thailand can not produce enough gold bars to satisfy domestic demand, the importation and exportation of gold bars are necessary in this country and the Company is no exception i.e. if customers' demand is higher than the Company's existing inventory and the Company cannot buy goods from other domestic traders or trading partners for resale to those customers, the Company has to import gold bars to meet the buyers' demand. Conversely, if customers want to sell a large volume of gold bars but the Company cannot resell them to other domestic traders or trading partners, the Company has to export them to get cash to support further transactions with customers. As the nature of the Company's business is usually involved with international contract, the exchange risk is unavoidable.

To prevent exchange risk, the Company has executed forward exchange transactions for business activities involved with foreign currencies.

Risks relating to default of payment

The Company has a strict policy in managing risk to against clients missing on their repayment obligations. This begins with the opening of account to trade gold bars, before trading activities, as well as the gold bars sale/purchase contract. This allows the company to obtain basic information (know your customer rule) on the clients and conduct due diligence on the them first. Furthermore, the Company requires the clients to place collateral to back their gold trading to mitigate the potential risk that clients may miss on their repayment obligation.

1.2 Investment and Securities Business Operation Risk

Risk relating to human resources

The Securities Company has experienced the risk of a high turnover of marketing staff which negatively affects the Securities Company's business operations. With the awareness of the aforesaid risk, a policy was formulated to support and promote personnel development on a continuous basis to boost their efficiency, knowledge and competence in performing their functions and in rendering services to customers. Welfare and pay scale has been regularly checked/adjusted to stay competitive or be on a par with other companies' in the same industry for employees' morale. The organizational cultures & values have been instilled in employees to build their strong bonds of loyalty with the organization. Moreover, the Securities Company has the policy to support and give diverse opportunities for career advancement to the new generation of marketing staffs to become the key driving forces of the Securities Company in the future.

Risks from the instability of the stock market and overall economy

The Company's main income comes from securities business in the form of commission securities and derivatives fees. The Securities Company had increased in average daily trading volume 2,125.84 million baht in 2015, 2,024.61 million baht in 2016 and 1,715.13 million baht in 2017. This had a direct impact on the Securities Company's income from brokerage fees. However, the Securities Company has tried to minimize part of that risk by expansion of new business income such as fees income business securities borrowing and lending, fees income from bond trading, frs income from bond trading in secondary. Furthermore, the Company also diversifies business risk by investing in other business for such as business for financial advisory and business for investment outside the stock market.

Risk relating to high competition

Some of the Company's revenues come from the securities business operated by a subsidiary of which its brokerage income depends on market conditions and investors' confidence. By the regulation of the Stock Exchange of Thailand, effective 2012 onwards, with regard to criteria and methods for charging brokerage fees by brokers or agents for the purchase or sale of listed securities, brokerage fees can be freely negotiated. To brace for the said impact, the Company is increasing a number of marketing personnel, developing employees, services and information technology. Additionally, the Securities Company is expanding its business activities about being an agent for the sale and buyback of investment units as well as for the entry into futures contracts, including the provision of private fund management services and several plans for new business activities will be launched to expand securities borrowing and lending (SBL), Bonds trading in secondary market, transactions in accordance with the needs of retail customers and expand a product line on TFEX, as well as to improve futures trading systems in accordance with those of Thailand Futures Exchange, for the diversification of business line and income source. Seeing that human resources play an essential role in boosting the competitiveness of the Company, a series of training events are regularly organized for the improvement of personnel's skills and competence to effectively handle new transactions of different kinds. Several measures are taken to improve service quality and top-quality research service is provided as supporting information for customers' investment. Moreover, the Company has continuously developed its securities trading system to enhance the efficiency, including internet trading program by launching <http://www.globlex.co.th> to facilitate the customers efficiently.

Risks relating to default of payment

Regarding the stock market conditions over the past year, the stock index and the trading volume showed an unsteady increase trend with the flood problem in many areas in Thailand. These caused the decreasing in trading volume of company and increasing number of customers payment defaults. However, Cash Account customers and Credit Balance customers have put assets or money in the account that could be the collateral for company to reduce the risk.

The Securities Company has the stringent policy on risk management by which the consideration for the approval of customer account opening, the consideration for the approval of a credit line, and the consideration for the approval of a credit line extension must strictly follow the rules set out by the Securities Company and must be reasonable in accordance with the financial position and payment ability of each customer. If any customer has the tainted record of having delayed payment for many times or selling to offset a futures purchase price, the Securities Company will not approve such purchase and will consider reducing the credit line forthwith which will help the Securities Company to prevent customer payment default risk.

The number of debtors on a loan for the purchase of the securities showed an increase as a result a rise in the stock market index, an increase in the overall securities, and an increase in the number of customers. An amount of debt changes over time i.e. the amount of debt will be approved only for a customer who regularly enters into securities trading, if that customer fails to maintain the presence of such regular trading, the Securities Company will take measures to eliminate the amount of debt by charging interest at a higher rate and may consider, if a long time elapses, the take an action for the redemption of debt. In this regard, the Securities Company keeps track of a change in the amount of debt at the end of every business day to prevent the possible occurrence of bad debts.

As at 31 December 2017 Globlex Securities had classified as doubtful accounts increase from amounting to 65.04 million baht in 2016 to 66.94 million baht . They took out loans to purchase securities in the credit balance account in 2010. The Securities Company is forcing the sale of collateral and legal proceedings are underway, the remaining clients are in legal proceedings as well.

Risks relating to securities underwriting

The fluctuation of the stock market over the past years affected capital mobilization through the stock market. Such effect made Globlex Securities' transactions in the provision of services for distributing and underwriting securities vary according to investment situation in the stock market. With the awareness of the aforesaid risk, Investment Banking Department was established in June 2009 to assume the role as a financial consultant and securities distributor. A consideration of any securities underwriting must pass the approval of the investment banking committee. An extensive analysis is needed to be done in various aspects covering overall economic situation, investment situation in the stock market and investment atmosphere in that duration, types of industries and competition, including the fundamental factors of securities to have capital mobilized, and the viability on the distribution of the aforesaid securities in part or the whole lot and customer requirements analysis test, prior to proposing the matter for the investment banking committee to consider and to approve the participation in the underwriting of securities for each customer.

Risks from extensive business laws and regulations and responsibility provision

Securities business is strongly regulated by laws and regulations issued by the pertinent regulatory bodies i.e. the SEC and SET. Therefore, the establishment or amendment of the governing policies and regulations would directly resulted in business operation capability and competency of subsidiaries which have a significant effect on business, financial condition and operating result.

The Securities Company has a compliance unit to actively monitor the operations to meet all the required standards, rules and regulations and to ensure that the Securities Company's executives attach importance to strict compliance with the requirements issued by the regulatory bodies.

Risks from computer systems malfunction

The computer systems are vital for the securities business, whereby any malfunction or disruption of computer's system could directly affect the operations and confidence in the Securities Company. Currently, the Securities Company has installed highly efficient network servers for the trading of securities, which is able to accommodate large volume of trading. In addition, a back up server at the Head Office has been examined to ensure the smooth replacement in case of the failure of the primary server. Moreover, the Securities Company has provided adequate equipments to protect the computer center such as automatic fire extinguisher, smoke and heat detector, temperature and humidity control equipment, uninterruptible power supply and reserved electricity generator. Such equipments are regularly checked and maintenance.

The Company and subsidiaries have also implemented a complete data system backup at the main center and backup center with periodic verification. In addition, the Company has found a Disaster Recovery Center where it can act as a secondary center of all trading transaction of the Company and periodic verification regularly. Furthermore, in case that the failure of system arises from the SET or software provider, Information Technology Department of the Securities Company will coordinate with such party rapidly and closely in order to resolve the problem according to the process guide line set by the SEC and inform the management on a promptly basis.

The Securities Company installed main servers and spare servers at the head office and spare servers at the backup center of various operating systems including :

1. Installed main servers and spare servers at the head office and spare servers at the backup center of the securities operating system.
2. Installed spare servers at the head office and spare servers at the backup center of the investment unit trading system.
3. Installed main servers, and installed spare servers at the head office and spare servers at the backup center of the accounting system.
4. Installed the derivative product trading system supplied by Freewill Solutions Company Limited (IFISd) to support trading in products i.e. futures contracts and derivatives to enable timely replacement of the existing trading system to ensure the continuity of operations.

1.3 Management Risk

Risks from major shareholders.

As of December 31, 2017, the Koohapremkit Family Group owned 30.98% of the the Company's total paid up capital or more than 1/3 of the Company's total paid up capital which gives the right to this group of shareholders to reject the resolution of the Annual General Shareholders Meetings in case of a 3 in 4 vote of approval is required. However, the Company has three independent directors out five directors which is equivalent to 60%. These independent directors examine, supervise and advise management team in order to ensure correct and transparent business operation.

Major Shareholders

Globlex Holding Management Public Company Limited

Top Shareholders as of November 1, 2017 (Latest closing day of Share Registration)

No.	Name	Number of shares	% of shareholding
1.	Mr. Oran Koohapremkit	232,400,000	21.34
2.	Thai NVDR Company Limited	131,683,200	12.09
3.	Mr.Keeratipong Kuhapremkit *	85,000,000	7.80
4.	Mr. Orapin Voravithpinit	49,625,600	4.56
5.	Mrs. Siriporn Charoenngam	45,493,300	4.18
6.	Mr. Kasame Lertbud	34,162,600	3.14
7.	Mr. VINCENT HAI-NING CHOU	22,166,200	2.04
8.	Ms. Kanchana Kuhapremkit *	20,000,000	1.84
9.	Mr. Preecha Chanthong	19,000,000	1.74
10.	Mr. Banyong Anakatham	18,000,000	1.65
Total		657,530,900	60.38

Note: *Group of Mr.Keeratipong Kuhapremkit comprises of Mr.Keeratipong Koohapremkit and Ms. Kanchana Kuhapremkit

Dividend Payment Policy

The Company has a dividend payment policy of at least 30% of its annual net profit except in cases where the Company needs capital to increase its liquidity and or for expansion.

Globlex Securities Public Co. Ltd., Asia Equity Venture Co.,Ltd. and Globlex Connect Co.Ltd. has a policy of paying dividend to its shareholders at the rate of 80% of its annual net profit except in cases where the companies need capital to increase their liquidity and or for expansion.

In 2017, The Company has a dividend payment after approval from shareholders at the annual shareholders' meeting No 1/2017, the Company paid dividends on April 12, 2017 in the amount of Baht 32.67 million (Baht 0.03 per share), or equivalent to 82.58 percent of the Company's net profit in 2016.

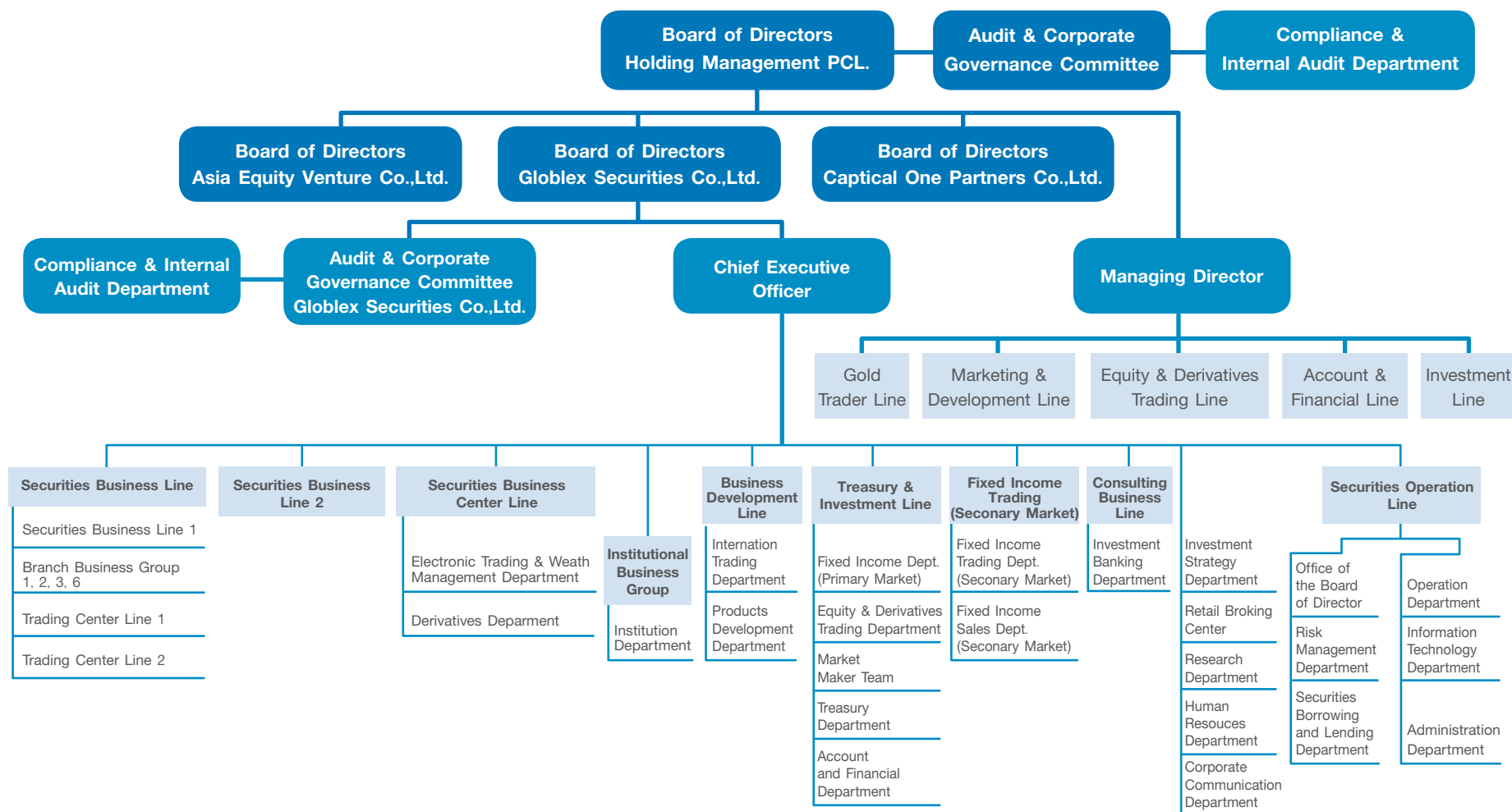
Dividend payment 2014-2017

	2014	2015	2016	2017
Dividend payment per share (Baht/Share)	0.025	No payment	0.02	0.03
% of the net profit	105.14	No payment	193.09	82.58

Management Organization Chart

As of December 31, 2017

Organization Chart Of Globlex Group



Management Structure

As of December 31, 2017, there are Board of Directors, Audit and Corporate Governance Committee, Compensation Committee, Nominating Committee and others sub-committees including the Management as following:

1. Board of Directors

As of December 31, 2017, the Board of Directors comprises of 5 members as follows:

Name	Position
1. Mr. Oran Koohapremkit	Chairman of the Board
2. Miss Vilailuck Skulpakdee	Chairman of Audit and Corporate Governance Committee and Independent Director
3. Mr. Suthep Pongpitak	Audit and Corporate Governance Committee and Independent Director
4. Mr. Suporn Thammaraks	Audit and Corporate Governance Committee and Independent Director
5. Mr. Tharaphut Kuhapremkit	Director and Managing Director

Authorized Directors

The authorized directors which may legally bind the Company comprise Mr. Oran Koohapremkit and Mr. Tharaphut Kuhapremkit. Two of directors can legally transact on behalf of the Company by signing their signatures with the Company's seal.

Scope of Duties and Responsibilities of The Board of Directors

1. Ensure the Company's business operations are in compliance with applicable laws/regulations, and in accordance to the Company's mission and business objectives, corporate mandates and shareholders' lawful resolutions.
2. Establish (in writing) good corporate governance policy guidelines. Review such policy at least once a year and monitor compliance to such policy.
3. Establish (in writing) good business ethics and practice guidelines for board of director members, management executives and staffs and ensure they strictly adhere to those guidelines.
4. Establish the direction of business operations and ensure the business operations are conducted in compliance to laws/regulations of related state agencies. Ensure adequate disclosure of information for the shareholders and all related parties. Business operations must be operated for maximum shareholders' benefits and in a transparent manner.
5. Set the vision, mission, business policies, objectives, strategies, plans and budgets for the Company and subsidiaries, oversee the management of the Company and subsidiaries to ensure they perform in line with the specified business policies and objectives. However, the followings would require prior shareholders' approval at the shareholders meeting: capital increase/decrease, buy/sale/ transfer of Company/subsidiaries business unit, joint-venture/mergers, revising of the memorandum of association/articles of incorporation, remuneration/compensation/benefits.

6. Consider conflict of interest/benefits by clearly specifying the guidelines which would protect the best interest of the Company and shareholders, ensure compliance to various policies and mandates, including the correct and adequate disclosure of information which may cause conflict of interest.
7. Establish business operations control system, financial reporting and compliance to rules/regulations by assigning independent personnel to inspect the internal control system and review such system at least once a year.
8. Set the risk management policy to protect the Company and subsidiaries. The management must carry out the specified policies and regularly report to the Company's board of directors and disclose it in the annual reports. Review the effectiveness of the risk management policy and system at least once a year.
9. The Company's board of directors may consider to appoint some board of directors members as member of a subcommittee to oversee specific operations of the Company, such as audit committee, and recruitment and remuneration committee.
10. Consider and appoint management executives such the president, managing director of the Company and subsidiaries.
11. Appoint the various Operational Committees for management, operations, investment functions, and specify the duties/responsibilities.
12. Appoint the Company's Secretary. Qualifications of the Company's secretary must be a graduate in law or accounting or have been trained in course related of the Company's secretary.
13. Approve using the Company/subsidiaries' assets as collateral which expose such assets to contractual obligations.
14. Approve signing of any contracts which expose the Company/subsidiaries to monetary obligation which exceed the authorized limit of the operational committee, or authorized officer.
15. Approve investment in business expansion and joint-venture with other companies.

Scope of Duties and Responsibilities of Chairman of the Board of Directors

1. Act as the Chairman of the Board by performing his/her duties under applicable laws, the Company's objectives and articles of association and legitimate resolutions approved/adopted by the shareholders' meeting.
2. Collaborate with the Board in determining the direction of business operations of the Group of Companies and monitor them to ensure compliance with applicable rules and regulations of related governmental agencies.
3. Collaborate with the Board in setting the Company's goals, guidelines, business plans and budgets, supervise and control management affairs conducted by the Board to ensure that they are carried out in accordance with given policies except on specific matters requiring the Board to seek approval from the shareholders' meeting prior to implementation, in other words—it refers to matters required by law to obtain resolutions from the shareholders' meeting.
4. Collaborate with the Board in considering and appointing a number of directors, as deemed appropriate, as audit committee to supervise the Company's activities assigned by the Board, such as audit and corporate governance committee, remuneration committee etc.
5. Collaborate with the Board in considering and appointing a person as Company's executive.

6. Collaborate with the Board in considering and approving binding entry into any contracts that incur commitments in within allowable limits that the board or an attorney-in-fact is mandated/ authorized.
7. Collaborate with the Board in considering and approving investment in business expansion as well as in joint investment with other entrepreneurs.
8. Perform other tasks as assigned by the shareholders' meeting.

The above authorities does not include the authority to approve transactions which may cause a conflict of interest against the Company which shall require consent from shareholders with regard to related transactions in accordance with the rules and regulation of the Stock Exchange of Thailand.

2. Audit and Corporate Governance Committee

As at December 31, 2017 the Audit and Corporate Governance Committee comprises of 3 members as follows:

Name		Position
1. Miss Vilailuck	Skulpakdee	Chairman of Audit and Corporate Governance Committee and Independent Director
2. Mr. Suthep	Pongpitak	Audit and Corporate Governance Committee and Independent Director
3. Mr. Suporn	Thammaraks	Audit and Corporate Governance Committee and Independent Director

Scope of Duties and Responsibilities of Audit and Corporate Governance Committee

1. Ensure the Company and subsidiaries prepare correct financial statements with adequate disclosures, including unusual items, significant accounting policy changes and any revision by the accounting auditor, as well as request the accounting auditor to review, or probe a particular relevant item in the quarterly and annual financial statements.
2. Evaluate and audit the internal control system of the Company and subsidiaries to ensure the internal control and risk management system is suitable and effective. The internal control system auditor and the accounting auditor will use an evaluation form to gauge the adequacy of the Company and subsidiaries' internal control system
3. Oversee and ensure the operations of Company and subsidiaries comply with the rules/regulations and of the stock exchange and laws applicable to the Company's business.
4. Consider, select, nominate and employment termination the external accounting auditor for the Company and subsidiaries and propose the appropriate remuneration for the accounting auditor in line with the reputation, adequacy of the human resource and the amount of work to be audited by the accounting audit firm, as well as the experience of the personnel assigned to audit the Company/subsidiaries' accounting/financial records.
5. Full, correct information disclosure by the Company when such information may cause conflict of interest, or may have impact on other areas.
6. Meet with the accounting auditor without presence of the management at least once a year.
7. Other tasks as assigned by the Company's Board of Directors and the audit committee agreed with, such as review of the policies on financial and risk management, and management executives adherence to good business ethics.

8. Prepare audit committee reports, disclose such reports (signed by the audit committee chairman) in the Company's annual reports.
9. Prepare the summary of the overall findings and comments of the audit committee on the various issues being audited.
10. Review the good corporate governance policies, business ethics guidelines and regular monitoring of policies implementation at least once a year.
11. Approve the appointment, transfer and employment termination of the internal audit division head.
12. Decide to set up a working committee to assist monitoring of compliance to corporate governance and business ethics when necessary.
13. Carry out tasks as assigned by the Company's Board of Directors.

3. Compensation Committee

As of December 31, 2017, the Compensation Committee Comprises of 2 members as follows:

Name		Position
1. Mr. Oran	Koohapremkit	Chairman of the Board
2. Miss Vilailuck	Skulpakdee	Chairman of Audit and Corporate Governance Committee

Scope of Duties and Responsibilities of the Compensation Committee

1. To consider compensation rate for the Board of Directors and sub-committee members which includes monthly salary, meeting allowance, annual bonuses and other benefits both in financial and non financial forms by using fair and reasonable principles, methods and structures in order to submit to the Company's Board of Directors who will in turn submit to the shareholders meeting for approval.
2. To consider compensation rate and compensation structure for all executive management which includes salaries, bonuses and other benefits both in financial and non financial forms by using fair and reasonable principles in order to submit to the Company's Board of Directors for approval.
3. To review compensation for the Board of Directors, sub-committee and compensation structure for the executive management according to the Company's performance, operating results and common practical guidelines among leading and registered companies in the SET and the scope of responsibility.

4. Nominating Committee

As at December 31, 2017 the Nominating Committee comprises of 3 members as follows:

Name		Position
1. Miss Vilailuck	Skulpakdee	Chairman of Audit and Corporate Governance Committee and Independent Director
2. Mr. Suthep	Pongpitak	Audit and Corporate Governance Committee and Independent Director
3. Mr. Suporn	Thammaraks	Audit and Corporate Governance Committee and Independent Director

Scope of Duties and Responsibilities of Nominating Committee

1. Draw up guidelines and policies on the recruitment of Board of Directors and sub-committees by considering the suitability of numbers, structure and components thereof, set out requirements for director qualifications, and put forward the said guidelines, policies and requirements for the Board of Directors to consider.
2. Consider recruiting, selecting and nominating a suitable person to hold office as a director upon retirement by rotation and/or when there is a vacancy and/or when an additional appointment is required.
3. Perform other tasks about recruitment as assigned by the Board of Directors.

5. Management Committee

As at December 31, 2017, the Management Committee comprised of 3 members as follows:

Name		Position
1. Mr. Oran	Koohapremkit	Chairman of Management Committee
2. Mr. Tharaphut	Kuhapremkit	Member of Management Director
3. Mr. Sumrit	Aunjittham	Member of Management Director

Scope of Duties and Responsibilities of Management Committee

1. Take recommendations of the Board of Directors into meticulous consideration & planning for implementation.
2. Monitor the Company's performance, supervise and control the Company's operations towards top quality in the best interests of the shareholders.
3. Approve the opening or closure of accounts the Company has with trading partners, domestic and/or foreign banks, for gold bar trading and investment purposes.
4. Conduct at a meeting to consider various issues regarding the overall performance of each unit in the organization.
5. Manage expenses both in gold trading and business investment to be in line with the Company's business plan.
6. Approve various operations as assigned by the Board of Directors of the Company.
7. Supervise and control business activities to ensure compliance with laws, rules and regulations of related authorities and to ensure good governance.

6. Investment Committee

As at December 31, 2017, the Investment Committee comprises of 4 members as follows:

Name		Position
1. Mr. Tharaphut	Kuhapremkit	Managing Director
2. Mr. Sumrit	Aunjittham	First Vice President of Accounting and Finance Department
3. Mr. Noppadon	Sakulwattana	Assistant Vice President of Accounting and Finance Department
4. Miss Paradee	Tuangkitkool	Manager of Gold Trade Department

Scope of Duties and Responsibilities of the Investment Committee

1. Select securities for the Company's investment within an investment framework as authorized and approved by the board of directors of the Company.
2. Supervise and control investing activities to ensure its compliance with the Company's required policies and standards including the Government's regulations.
3. Manage investment portfolios by considering the market situation.
4. Assess and summarize the Company's investment results and report them to the Board of Directors of the Company.
5. Prepare supporting information for investment in individual securities and regularly monitor the operating performances of the companies in which the investments have been put.
6. Follow up and review the budget allocation of investment amounts for both equity and debt instruments.
7. Hold regular meetings, on a monthly basis, for the committee members to meet and discuss business matters.

7. Operation Committee

As at December 31, 2017, the Operation Committee comprises of 4 members as follows:

Name		Position
1. Mr. Tharaphut	Kuhapremkit	Managing Director
2. Mr. Sumrit	Aunjittham	First Vice President of Accounting and Finance Department
3. Mr. Noppadon	Sakulwattana	Assistant Vice President of Accounting and Finance Department
4. Miss Paradee	Tuangkitkool	Manager of Gold Trade Department

Scope of Duties and Responsibilities of the Investment Committee

1. Determine policies, monitor working capital management and financial position including the gold bar holding of the Company.
2. Monitor and control the operating performance of each business unit to achieve the main goals and objectives of the Company.
3. Take the board's recommendations and guidelines into consideration in detail and put them into practice.
4. Determine operating guidelines for each business unit to ensure competitiveness and keep pace with business environment.
5. Report key operating performance of each business unit for the attention of the Board of Directors on a regular basis within a reasonable time frame.
6. Be an advisor to the management on various matters concerning financial operations, inventory planning & control, marketing activities and other operations associated with the business of gold bar trading.
7. Perform other activities by virtue of powers and responsibilities vested in and assigned by the Board of Directors from time to time.

8. Risk Management Committee

As of December 31, 2017, the Risk Management Committee comprises of 4 members as follows:

Name		Position
1. Mr. Tharaphut	Kuhapremkit	Managing Director of Globlex Holding Management Plc.
2. Mr. Thanapisal	Koohapremkit	CEO of Globlex Securities Co.,Ltd
3. Miss Prathana	Makkriangkrai	COO of Globlex Securities Co.,Ltd.
4. Mr. Wiwat	Jnsangaram	FVP of Risk Management Dept. of Globlex Securities Co.,Ltd.

Scope of Duties and Responsibilities of the Risk Management Committee

1. Assess risks within the organization and each business unit by which measurable risk factors are clearly identified, taking into account internal and external factors in connection with such risks to analyze possible impacts that may occur to the organization, thus prompting efficient risk management, and to predict new risks that could happen in the future.
2. Set measurement standards & systems for determining acceptable level of risk (possible losses) in each category, aspect, and dimension.
3. Set risk control guidelines and procedures for employees to follow for managing risks within their department.
4. Monitor and control risks to ensure that the operation of each department is managed within the controllable risk framework and in line with the Company's risk management policies, by regularly conducting follows-up and monitoring at least once a month.
5. Furnish tools for systematic risk management through the analysis of various statistical data, the application of theories of risk management, etc.
6. Conduct a review and update of existing risks within the organization and each business unit at least once a year or when there is any incident that significantly affects the Company.
7. Evaluate and review the operating guidelines for the early warning system to prevent initial risks and minimize any possible adverse effects on the Company.
8. Communicate information to employees for raising their awareness of the necessity of risk management.

9. Management

As of December 31, 2017, the Management team comprised of 6 members as follows:

Name		Position
1. Mr. Oran	Koohapremkit	Chairman of the Management
2. Mr. Tharaphut	Kuhapremkit	Managing Director
3. Mr. Sumrit	Aunjittham	First Vice President of Accounting and Finance Department
4. Mr. Noppadon	Sakulwam	Assistant Vice President of Accounting and Finance Department
5. Miss Paradee	Tuangkitkool	Manager of Gold Trade Department
6. Mrs. Punchama	Sangviroje	Manager of Marketing Department

Scope of Duties and Responsibilities of Managing Director

1. Join board's meetings to formulate the Company's policies.
2. Supervise, control and monitor investment in subsidiaries to ensure compliance with the Company's investment policies.
3. Screen and propose an annual plan & budget to the Board for consideration and approval and monitor business performance to ensure that the plan is implemented.
4. Translate the Board's policies into management procedures for subordinates to abide by.
5. Supervise internal administration of the Company by directing, approving, inspecting and controlling the operations and assisting and giving advice to executives on operations management in accordance with given policies.
6. Keep up with news and information for further analysis, study and development of new ways or forms of investment which will be put forwarded for the Board to decide.
7. Consider merit pay plans, transfer, appointment, promotion, employment termination and skill development of employees under his/her command.
8. Take responsibilities for other tasks as assigned by the Board of Directors.

10. Company's Secretary

The Company appoints Mr. Sumrit Aunjitham as the Company's e Secretary and Secretary of the Board of Directors.

Scope of Duties and Responsibility of the Company's Secretary

1. Organize board and shareholder meetings in accordance with applicable laws and regulations.
2. Prepare agenda and documents for board and shareholder meetings and send them approximately 7-14 days prior to each meeting so that directors and shareholders have enough time to study.
3. Take minutes of board and shareholder meetings and monitor compliance with the meeting's resolutions.
4. Supervise the disclosure of information to related regulatory bodies and update the Company's website to meet the requirements of applicable laws and regulations.
5. Perform other tasks as assigned by the Board of Directors.

NOMINATION OF DIRECTOR AND MANAGEMENT

The director nomination committee comprises of independent and the Company's directors who will select and nominate new directors. Directors who vacate their posts when their term expired are not involved in the director selection process.

Criteria for nominating and appointing of directors:

1. Specific director's qualities which fit the company's business objectives, plans and strategies will be considered in nominating directors
2. Broad diversity of special work skills, knowledge, expertise, experience, age and gender are preferred with regards to the composition of the board of directors
3. Qualities desired in candidate for the director post are business vision, ethics, integrity in accordance to good corporate governance principles
4. Independent director must fulfill the specified criteria for independent director
5. Consideration of director post candidate's qualities, as deemed appropriate

Process for nominating and appointing of new directors

1. The nomination committee will set the required qualifications for the new director candidates who will further enhance the qualities of the current Board of Directors and support the Company's business operations plans, as well as the appropriate number of independent directors in accordance with good corporate governance guidelines specified by the Stock Exchange of Thailand
2. The nomination committee may select the directors through the personal channel of each Company's Board of Director member, high ranking executive, or may consider from shareholder's proposal or the Thai Institute of Directors (IOD)' database
3. After the nomination committee has selected a new suitable director, the new director will be proposed to the Company's Board of Directors for consideration and then to the shareholders for approval and appointment. The Company's board of directors may appoint a new director if the post has been vacated due to other reason apart from tenure expiration.

The Company's Board of Directors will host an orientation for the new directors which the Company's secretary will facilitate to ensure the new directors are informed about company's rules, regulations, business information and information to help the new directors perform their duties properly.

Qualifications of Directors

1. Be competent, honest, faithful and ethical persons and have sufficient time to dedicate their technical skills and knowledge to perform the duties as director of the Company.
2. Possess the complete qualifications and have no prohibited characteristics under the law on public limited companies and other relevant laws.
3. Must not assume directorship in other companies that may incur a conflict of interest.
4. A resolution for electing independent directors must conform to the guidelines on the independence of audit committee members as specified in the announcement of the Stock Exchange of Thailand on the qualifications and scope of duties of audit committee members and they must be able to extend equal treatment to safeguard the interests of all shareholders as well as to prevent any possible conflict of interest.

Person nominated for director post must not have the following characteristics:

1. Blacklisted by the Stock Exchange of Thailand, the Securities Exchange Commission, laws governing public companies, or other related agencies
2. Has skills/knowledge (securities, finance, economics, accounting, marketing, laws) relevant to the Company's business, including good work records, ethics and well-accepted reputation in society
3. Must not hold director post, or high ranking executive in other company/companies which compete with the Globlex Group.

Audit and corporate governance committee consists of at least 3 independent directors. The formation of audit and corporate governance committee and the appointment of independent directors require the approval of the meeting of the Board of Directors and/or the meeting of the shareholders of the Company.

Definition of Independent and Qualifications of Independent Directors equivalent SET's regulation as follow:

1. Posses shares not exceeding 1 percent of the paid-up capital of the Company, the parent company, subsidiaries, associated companies, or juristic persons that may pose a conflict of interest. Shares held by related persons under Section 258 of the Securities and Exchange Act will also be counted.
2. Must not hold office as director in the parent company, subsidiaries, associated companies, or juristic persons that may pose a conflict of interest.
3. Must not be management, employees, staff members or advisors who receive regular pay, nor must they be in control of the Company, the parent company, subsidiaries, associated companies, or juristic persons that may have a conflict of interest both at present and in the past two years prior to their appointments as independent director.
4. Must not be professional service providers, such as auditors, lawyers, and etc. to the Company or the parent company both at present and in the past two years before their appointments as independent director. The prohibition also includes a case whereby their close relatives are providers of those professional services and a case whereby they are executives or partners or major shareholders of juristic persons providing those professional services to the Company, the parent company, subsidiaries, associated companies or juristic persons that may have a conflict of interest.
5. Must not have blood relationship or relationship under legal registration as parent, spouse and offspring of an executive, major shareholder, or controlling party. Any other relationship that may deprive them of independence must be disclosed forthwith.
6. Must not have benefits or stakes, whether directly or indirectly, in financial position and management of the Company, the parent company, subsidiaries, associated companies, major shareholders or juristic persons that may have a conflict of interest, as well as not being customers, suppliers of raw materials, creditors/debtors, executives, major shareholders or persons in control of juristic persons that have the aforesaid business relationship with the Company, with a transaction amount exceeding 10 percent of annual revenues/expenses in the past two years before their appointments as independent director except that the Board of Directors of the Company sees that such benefits or stakes or business relationship will not affect the performance of their duties and their free expression of opinions.
7. Must not be appointed representatives to safeguard the interests of the Company's directors, major shareholders or other shareholders who are related parties of major shareholders.
8. Be able to perform their duties, express opinions or report the performance of their duties as assigned by the Board of Directors of the Company, freely and without being under any control of the Company's executives or major shareholders including related parties or close relatives of the above.

Nomination of Management

The Board of Directors of the Company shall seek suitable qualified persons for consideration and appointment as executive, by choosing those who possess the qualifications and have no prohibited characteristics under Section 68 of Public Limited Companies Act, B.E. 2535 (1992) and under the notification of SEC or related agency as well as under the Articles of Association of the Company.

Remuneration for Directors and Executive Management

Remuneration Committee shall scrutinized consider, and propose the Remuneration of Directors to the Board of Directors and Executive Management for forwarding it for consideration and approval by the Shareholders of the Company.

Directors' remuneration shall be at reasonable and competitive levels with other companies in the same industry, by considering professional experiences, obligations, scope of duties and responsibilities, benefits anticipated from each director's contribution, and sufficient motivation to attract and to retain a qualified director. A director whose additional duties and responsibilities are required deserves extra benefits at a reasonable rate.

The remuneration for executive management will be in accordance to the Company's policy specified by the Board of Directors and agreed by the high level executives as appropriate, enticing for the long-term and reflect the past job performance. After evaluating the remuneration, the wage rate remuneration committee will propose the scheme to the Board of Directors for approval. The Chairman of the Board of Directors will then notify the executive management of the outcome of the remuneration consideration.

In 2017, the Company disclosed remuneration of directors on an individual basis.

Globlex Holding Management Public Company Limited

Financial Remuneration

1. Board of Directors

The remuneration paid to 5 directors during 2017 was 1,265,000 Baht and 6 directors during 2016 was 1,305,000 Baht respectively in form of meeting allowance and director bonus as follows.

Name-Surname	Position	2015	2016	2017
1. Mr. Oran Koohapremkit	Chairman of the Board	880,000	720,000	640,000
2. Mr. Somchai Sakulsuratat ⁽¹⁾	Chairman of Audit Committee and Independent Director	50,000	-	-
3. Mr. Kanit Sukonthaman ^{(1), (3)}	Chairman of Audit Committee and Independent Director	125,000	225,000	-
4. Miss Vilailuck Skulpakdee ⁽³⁾	Chairman of Audit Committee and Independent Director	-	-	225,000
5. Mr. Suthep Pongpitak	Audit Committee and Independent Director	200,000	150,000	190,000
6. Mr. Suporn Thammaraks	Audit Committee and Independent Director	220,000	210,000	210,000
7. Mr. Soros Sakornvisava ⁽²⁾	Director and Managing Director	-	-	-
8. Mr. Tharaphut Kuhapremkit	Director and Managing Director	-	-	-
Total		1,475,000	1,305,000	1,265,000

Note : ⁽¹⁾ Mr. Somchai Sakulsuratat resigned from Chairman of Audit Committee and Independent Director on 14th May 2015 and Mr. Kanit Sukonthaman was appointed as the replacement, effective from 14th July 2015 onwards.

⁽²⁾ Mr. Soros Sakornvisava was appointed Director and Managing Director, effective from 14th January 2014 onwards and resigned his directorship on 14th April 2016.

⁽³⁾ Mr. Kanit Sukonthaman resigned from Chairman of Audit Committee and Independent Director on 17th January 2017 and Miss Vilailuck Skulpakdee was appointed as the replacement, effective from 17th January 2017 onwards

2. Managements

The compensation paid to 7 managements and employees during 2017 and 6 managements and employees during 2016 was 9,004,666 Baht and 11,444,174 Baht respectively, in form of salary, bonus, insurance premium, social security fund, and provident fund.

Globlex Securities Company Limited

Financial Remuneration

1. Board of Directors

During 2017, the remuneration paid to 5 directors was 710,000 Baht. The remuneration paid to 5 directors was 870,000 Baht during 2016, in form of meeting allowance, as follows.

Name-Surname	Position	2015	2016	2017
1. Mr. Keeratipong Kuhapremkit	Chairman of the Board	550,000	450,000	400,000
2. Mr. Virojn Srethapramotaya	Chairman of Audit Committee and Independent Director	220,000	190,000	170,000
3. Mr. Praserd Teeranakanat ⁽²⁾	Audit Committee and Independent Director	160,000	230,000	140,000
4. Mr. Opas Chunhasopark ⁽²⁾	Audit Committee and Independent Director	-	-	-
5. Mr. Thanapisal Koochapremkit	Director and CEO	-	-	-
6. Mr. Teeranut Thangsatapornpong ⁽¹⁾	Director and CFO	-	-	-
7. Miss Prathana Makkriangkrai ⁽¹⁾	Director and COO	-	-	-
Total		930,000	870,000	710,000

Note : ⁽¹⁾ Mr. Teeranut Thangsatapornpong resigned from Director and CFO on 14th May 2015 and Miss. Prathana Makkriangkrai was appointed as the replacement, effective from 15th July 2015 onwards.

⁽²⁾ Mr. Praserd Teeranakanat resigned from Audit Committee and Independent Director on 1st October 2017 and Mr. Opas Chunhasopark was appointed as the replacement, effective from 13th December 2017 onwards.

2. Managements

During 2017, the total compensation of 22,882,482 Baht was paid to 7 managements and 25,920,939 Baht was paid to 9 managment in 2016 in form of salary, bonus, insurance premium, social security fund and provident fund.

Corporate Governance

The Board of Directors has established a set of policies and guidelines for the operations of the Company by attaching great importance to internal control and risk management systems as well as management supervision to ensure that such policies and guidelines will be efficiently implemented with good management practices. In addition, emphasis is placed on preventing conflicts of interest through strictly adhering to business ethics and regulations, which form the basis for good corporate governance. The Board of Directors has realized how important the sustainable growth of the business is to the Company, which in turn will maximize benefits to and bring about confidence among the shareholders, employees and related parties.

According to the 2017 survey results on corporate governance of Thai listed companies showed that the Company is one of those achieving very good CG scoring.

The Company's practices in compliance with good corporate governance principles in 2017 are summarized as follows:

Corporate Governance Policy

In compliance with the Stock Exchange of Thailand (SET)'s corporate governance code (CG code) of 2012 and the Securities Exchange Commission (SEC)'s corporate governance code (CG code) of 2017 which serve as guidelines to help listed companies maintain financially healthy operations for the long-term on a sustainable basis for shareholders and involved parties; the Company's Board of Directors meeting no. 8/2017 on December 13, 2017 has reviewed and divided the Company's corporate governance code (CG code) into the following 5 sections:

1. Rights of Shareholders

The Board of Directors formulated corporate governance policies on the protection and promotion of the rights of both individual and institutional shareholders and fundamental rights are included such as share of profits, the purchase and sale or the transfer of shares, access to adequate information, the exercise of the voting rights at a shareholders' meeting to appoint or remove a director, fix directors' remuneration, appoint an auditor, and discuss matters that affects the Company such as dividend or stock dividend, the drawing up or amendment of the articles and memorandum of association, the increase or decrease of capital, the approval of special transactions, etc. The Company refrains from adding a new topic to the predetermined agenda. The Company is aware of and attaches importance to the rights of shareholders and the Company will not perform any act in violation or derogation of shareholders' rights.

In 2017, the Company's Board of Directors together holds 23.41 per cent of the company's shares with 'free float' ratio of 60.93 percent.

At the annual general shareholders' meeting (1/2017), the company allow shareholders the opportunity to propose the meeting's agenda and submit inquiries about the Company, or submit names of persons they would like to nominate as directors before the meeting's schedule date, during December 1, 2016 to January 31, 2017, by notifying through the news reporting system of the Stocks Exchange of Thailand (SET). However, no shareholder chose propose the meeting's agenda, or submit questions for the Company to respond to, nor nominate a person as a director before the meeting starts.

The shareholder will receive the invitation to the annual general shareholders' meeting and the information on the venue, date and time of the meeting, together with the clarification, reasons and opinions of the Board members for each of the meeting's agenda. The agenda pertaining to the appointment of each director must

specify the name and attach each director's historical background. The agenda pertaining to the appointment of the Company's accounting auditor must include details on the auditor and the accounting firm the auditor is attached to, the auditor's experience and capabilities and independent from external interference, audit service fee. The agenda pertaining to the authorization of payment of the Company's dividends requires the disclosure of the Company's policy on dividend payment, the amount of the dividend to be paid, as well as the reason and related information for consideration. Furthermore, shareholders must be notified 14-21 days in advance about the rules and procedures related to attending the annual general shareholders' meeting, or assigning a proxy to attend the meeting on the shareholder's behalf, as well as other relevant information. The Company will post such information on the Company's website at least 30 days in advance and post news of the annual general shareholders' meeting on the daily newspaper for 3 consecutive days.

The Company encourages all shareholders to exercise their full voting rights by attending and participating at the Company's general shareholders' meeting. The shareholders' voting rights will not be blocked, or limited in manner. The meeting will be held at a convenient location with minimal cost to the shareholders. Moreover, the Company has utilized technology to facilitate registration, counting of shareholders' votes for the shareholders and display of voting results to ensure the meeting proceeds without unnecessary delay and errors. The shareholders votes will also be audited to ensure accuracy.

The Company will notify the shareholders about the procedures on the casting and counting of shareholders' before the meeting begins during according to the list of agenda. This will include the use of voting cards, inspector and witness the counting of votes, opportunity for shareholders to submit propose agenda for the meeting to consider, or submit questions for the Company to respond to before the meeting begins, including encouraging shareholders to express their opinions, questions, suggestions and participate in decisions pertaining to major changes. The meeting's chairman will allocate reasonable amount of time for the shareholders. The Company's chairman of the Board of Director, the chairman of the various sub-committees, the Board members, senior executives and other management executives are required to attend the shareholders' meeting and be ready to respond to the shareholders' inquiries on related issues.

After the annual general shareholders' meeting, the Company will prepare the shareholders' meeting report which will include the name list of all the Company directors who attended the shareholders' meeting, the vote casting / votes counting procedures, inspector and witness the counting of votes, the resolutions reached/ agreed for each meeting agenda plus the "for/against/abstain" votes, as well as inquiries/responses for each agenda. This way the shareholders who were not at the shareholders' meeting would be fully informed accordingly. The resolutions of the shareholders' meeting and the voting result will be available on the day the information is disclosed via the news reporting system of the Stocks Exchange of Thailand (SET). The shareholders' meeting report will be available on the Company's website within 14 days of the shareholders' meeting.

2. Equal Treatment for All Shareholders

The Board of Directors formulated surveillance measures to provide equal protection of shareholders' fundamental rights and prevent the violations of shareholders' rights, which include the rights of minority and foreign shareholders.

As to the information supplied before the meeting date, the Company will notify the shareholders of the meeting's schedules, agenda, facts and reasons and the comments of the Board of Directors in writing both in Thai and English published through the news network of the Stock Exchange of Thailand and on the Company's website no less than 30 days in advance. The Company will also inform the shareholders of the meeting's rules

and procedures, the process of casting votes and passing a resolution; especially for the same type of shares, each shareholder has equal voting rights i.e. one share, one vote.

As to the protection of the rights of minority shareholders, the Board of Directors opens an opportunity for the shareholders to add a new topic to the predetermined agenda or nominate a person for election to the Board of Directors before the meeting date. The criteria for topic addition and nomination are published on the Company's website. The Company opens an opportunity for a shareholder who is unable to attend a meeting to exercise his or her voting right by proxy. The Company will inform every shareholder of the process and papers required for the appointment of a proxy and the Company will attach the proxy appointment form (Form B) to an AGM notice. An AGM notice will be made in both Thai and English versions, sent out to the shareholders no less than 14-21 days in advance, published on the Company's website no less than 30 days in advance and in a newspaper for 3 consecutive days.

The Company held the annual general shareholders' meeting (1/2017) on March 13, 2017 at the Crystal Ball room, 2nd fl of Tawana Hotel on Suriwong Road, Bangrak, Bangkok. The shareholders were notified 30 days before the shareholders' meeting date via the Thai Stocks Exchange (SET)'s news reporting system and through the Company's website. In addition, the Company also mailed an invitation letter to notify each shareholder 14 days before the shareholders' meeting date. The Company also enclosed the information pertaining to the Company's Board of Directors' opinions on each agenda of the upcoming general shareholders' meeting, as well as include the annual report, proxy document and details of the required documents/proofs which the shareholder would need to comply with in assigning a proxy.

At the annual general shareholders' meeting (1/2017) on March 13, 2017 was attended by 215 shareholders and their proxies who collectively hold 509,900,664 shares, or 46.82 percent shareholding ratio of the total number of Company's stocks distributed. The Company used barcode system in registering the shareholders and in the counting of shareholders' votes for each of the meeting agenda. The Company invited represent the legal advisor (Mr.Sumate Bua-Chan) of the Common Law and Associate Co., Ltd. to inspector and witness the counting of votes to ensure it comply with the company's rules/regulations. Prior to the meeting, the Company's Acting Managing Director, Mr.Tharaphut Kuhapremkit Director and Managing Director briefed the shareholders about the procedures on the casting and counting of votes before reaching a resolution for each meeting agenda. Scheduled to vote on a one share, one vote. During the meeting, the shareholders were given equal opportunity to express their comments, suggestions or/and ask questions. Each comments, suggestions, questions on each issue were included in the notes-taking of the shareholders' report. After the meeting, the Company disclosed the resolutions and the results of the votes for each meeting agenda via the news reporting of the Thai Stock Exchange (SET) and on the Company's website. Apart from this annual general shareholders' meeting, there were no extraordinary shareholders' meeting in 2017.

The Company's annual general shareholders' meeting (AGM) 2017 was rated as excellent in terms of quality by the Thai Investors' Association.

Policy on the prevention of insider trading

The Company's policy on the prevention of insider trading is disseminated to directors and executives including employees whom it may concern in order to prevent them from insider trading or seeking interests for themselves or others (abusive self-dealing) such as trading in securities or assets by making use of insider information, the disclosure of insider information that causes overall damage to shareholders, etc.

3. Roles of Stakeholders

The Board of Directors formulated the surveillance policy to protect stakeholders' rights in accordance with the law or an agreement. The Company is well aware that good relations and collaboration between the Company and stakeholders are instrumental in bringing about sustainable growth. The Company supplies adequate disclosure of important information to stakeholders and presents an article on corporate social responsibility (CSR) in the annual report.

The Company respects the rights of stakeholders in different groups such as shareholders, employees, customers, trading partners, creditors, community/society, the environment, etc. The Company will not violate the rights of these stakeholders so that the Company can perform the activities smoothly to create sustainable security and provide fair and equitable sharing of benefits to every party.

Shareholders: The Company is committed to be a good representative of shareholders in business operations by creating maximum satisfaction and growth of the firm's value over the long run. Information disclosure will be transparent and trustworthy.

Employees: Human resource is considered as the most valuable asset which contributed to the Company's success. The Company treats all employees like a member of the family, striving to help develop their work skill, enhance their quality of life amid a working environment which promotes teamwork through work and recreational sports.

The Company pays attention to preservation of the environment, safe and clean workplace to ensure a pleasant working environment for humans and assets. The Company provides annual health checkup for the employees, strictly comply with applicable labour laws and treat all employees fairly and suitability in terms of hiring, job appointment/transfer to maximize utilization of available human resource.

The Company's policy on employees' compensation and benefits is in accordance to labour laws and appropriateness. A Provident Fund is also available for employees.

The Company continues to supports human resource development to improve employees' job knowledge and skills.

In 2017, The Company's subsidiaries organized seminar to enhance employees' knowledge development totaling 30 hours for employees of subsidiaries. There were no cases pertaining to work related accidents, or labor dispute issues between the employees and the Company.

Customers: The Company is committed to excellency in servicing for the utmost satisfaction of customers by paying attention to and being accountable to customers' needs, seeking new possibilities to make our services different and offer a variety of options, as well as providing complete, correct, and undistorted information to our customers.

The Company shall keep customers' secrets by not revealing their information to a third party, without their written approval, except in the case of information to be disclosed to the parties as specified by laws. In addition, the Company has a customer-complaint-receiving system to settle complaints promptly and justly.

Trade Partners: A business transaction between the Company and trading partners shall neither bring disgrace to the reputation of the Company nor violate any laws. In all business operations, the Company takes into account the fairness and mutual benefits of trading partners. It abides by the terms and conditions as agreed, in a bona fide manner and on an equitable basis. The selection of trading partners must be cautious and justifiable.

Trade Rivals: The Company will adhere to its policy and guidelines on competition with business rivals by not trying to obtain confidential trade information through dishonest/unethical means, or try to defame the reputation of rivals, but will instead adopt fair trade and non-monopolistic business practice in competing with business rivals.

Creditors: The Company's policy towards creditors is to be fair and responsible to creditors in accordance to the terms/conditions/obligations stated in the contracts with creditors with regards to repayment of loan principal and interest, loan guarantee/collateral term/conditions, as well as capital management.

In the case of situation which forces the Company to missed loan repayment obligation. In such case, the Company will inform the creditor in advance to discuss how to resolve such problem which both parties can agree on.

Community/Society: The Company provides a corporate social responsibility report and encourages employees to participate in a creative activity for a good cause organized by public and private sectors including charitable agencies.

Environment: The Company believes in environmental preservation through efficient and appropriate use and disposal of resources / materials. The Company educates employees about the importance of environmental preservation and energy conservation both onsite/offsite, and instruct employees to consume water and electricity efficiently, avoid wasteful consumption and segregate types of garbage before disposal.

Human Rights: The Company will not encourage the violation of human rights or discrimination against employees or applicants based on race, nationality, religion, gender, age, and educational background. These persons must receive fair and equitable and non-discriminatory treatment.

Intellectual Property or Copyright: The Company will not encourage the infringement of intellectual property rights or copyrights of the others but respect their rights thereof. Employees are not allowed to bring illegal software for use in the workplace, nor are they allowed to reproduce copyrighted software

Anti Corruption: The Company's and subsidiaries policy is to uphold integrity and transparency of its operations and strive to be a socially responsible organization. The Company will strictly adhere to good corporate governance. In 2012, the Company became a member of the a local private sector's anti-corruption organization whose goal is to oppose and eradicate all forms of direct and indirect fraudulent activities, or corrupt practices via cooperation with private/state agencies, business alliance, subsidiaries and affiliated companies in accordance to internationally accepted operational guidelines, framework and procedures. Violators of rules/regulations pertaining to fraudulent activities, and/or corrupt practices will be subjected to applicable penalties accordingly.

In addition, the operations audit division of the Company and subsidiaries regularly assess potential risks related to fraud and corruption and report their findings to the Company's audit committee. The Company also provide seminar for employees so they can act in line with the Company/subsidiaries' policy on fraud and corruption and help detect and notify the Company/subsidiaries about such practices which the Company/subsidiaries will strictly treat as confidential information for the safety of the person(s) providing such information. This policy against fraud and corruption was approved by the Company's Board of Directors on

November 12, 2013.

In 2016, the Company and subsidiary-Globlex Securities Co., Ltd. has been accepted by the Thai Institute of Directors to serve as a secretary to the private sector's Collective Action Coalition Against Corruption Council (CAC) which seeks to tackle fraud and corruption.

Opposition Against Money Laundering and Financial Support for Terrorism:

To avoid risks which could hurt corporate image and gold trading business, the Company opposes activities related to money laundering, or providing of financial support for terrorism in compliance with applicable laws - Business Operator Article 16 (2) and Antiques Trader Article 16 (5) of the Anti-Money Laundering Act of 1999, under the supervision of the Anti-Money Laundering Office. This policy was approved and implemented at the Company's Board of Directors' 6th meeting in 2017 on August 10, 2017.

The Securities Company has the compensatory measure to redress damage caused to stakeholders in the event that the company violates their rights. The Securities Company joins SET's arbitration program which is a dispute settlement process in accordance with SET's policy aimed to protect the rights of investors in the capital market and is an easy, fast, fair and economical option for both investors and the company. Hence, the consideration of possible future damage to stakeholders shall apply the same philosophy as the arbitration program's to resolve an issue. That is to say, negotiations will be conducted in the first place upon the occurrence of a dispute, and an issue that cannot be resolved through negotiation process will be brought to a state-run mediation agency.

Filing of information to expose unethical, or fraudulent activities (whistle-blowing) of vested interest groups and protection for person(s) who provided information of wrongdoings

The Company's Board of Directors provides opportunities for those who stand to gain, or lose, to obtain information and able to communicate with the board of directors, and protection of employee's rights. Employees who have vital information pertaining to abuse of rights, or the correctness of the Company's financial statements, internal control deficiency, violation of business ethics, fraud and corruption will have access to communicate with the Company's committee on internal audit committee and governance. The information received will be processed according to the Company's specified procedures and reported to the Company's Board of Directors accordingly. The following is the channels to facilitate communication with the Company's Board of Directors:

- By mail : To Secretary of the Company or
Chairman of Audit and Corporate Governance Committee
Globlex Holding Management Public Company Limited
87/2 CRC All Seasons Place 12th Floor,
Wireless Road, Lumpini, Patumwan, Bangkok 10330
- Tel/Fax 02-6725995/026725996
- By e-mail : ir@globlex.co.th

The Company has the following procedures to facilitate the filing of information tips / leads, or complaints exposing certain activities deemed unethical or fraudulent activities:

1. The Company's Board of Directors will appoint a working committee to gather the facts and information pertaining to information tips / leads, or complaints on unethical or fraudulent activities.
2. The appointed working committee will review the facts / information and propose the appropriate methods to handle each situation as follows:
3. The appointed working committee will propose measures to handle person(s) who committed the violation and the person(s) with vested interest for the Company's board of directors to consider.
4. The appointed working committee will report the result to the person(s) with vested interest who filed the complaint if his / her identity is revealed.

The Company has established the following procedures to protect person(s) who filed complaints, or provided information of suspected wrongdoings from potential harm or damage

1. The Company will not reveal the person(s) filing the complaint, or notify the Company of suspected wrongdoings and will classify such information as confidential matter.
2. The Company will periodically report the progress on the investigation and explain the facts to the identifiable person(s) who notify the Company of suspected wrongdoings, or file complaints
3. The Company will adopt measures to protect the informant who notified the Company about suspected wrongdoings from potential harm, or damage
4. The Company will try to protect or reduce the potential harm, or damage which the informant may have to incur in a fair and appropriate manner

4. Information Disclosure and Transparency

The Company has been adhering to one of the key missions to accomplish, that is to disclose both financial and non-financial information associated with the Company in a full, complete, transparent, extensive, and timely manner, through information communication channels in which every user has an equal access to. In addition to the communication channels through the Stock Exchange, form 56-1, and annual report, the Company disseminates the information, in both Thai and English, through the website of the Company. Such information shall be regularly updated so that investors and those concerned will equally have adequate and most up-to-date information to facilitate their decision.

Disclosure of significant financial and non-financial information

- Reporting on the Board of Directors' responsibility for financial reports, the disclosure of the names of directors, sub-committees, executives and a profile of each of the said persons, the disclosure on remuneration to directors and executives including a form of remuneration payment and the remuneration (if any) each director is entitled to by holding office as a director in a subsidiary.
- The disclosure of the structure of shareholders.
- The disclosure of shares held, directly and indirectly, in the Company by directors and executives.
- The disclosure of transactions having a conflict of interest(s).
- The disclosure of roles and duties of board of directors and sub-committees in the past year such as the number of meetings held and the number of meetings each of these persons attended, etc.
- The disclosure of policies on confidentiality and insider trading including the control of communication of information/messages between departments (Chinese wall).
- Reporting on compliance with good corporate governance practices.

Report on conflict of interest

As to the policy on conflict of interests, directors and executives are directed to disclose information about interests of their own and related parties to enable the Board of Directors to consider a transaction that may pose a conflict of interests and to make a decision in the best interests of the Company. Directors and executives having interests in any transaction with the Company and the subsidiaries shall not participate in making a decision on it. Moreover, directors and executives are directed to report on their securities holding to the Board of Directors, and they are required to report on the purchase and sale of shares at least 1 day before the transaction.

Report on important related party transaction

The Company's policy is to comply with the rules and regulations of the Stock Exchange of Thailand with regards to significant related party transactions for which shareholders' approval is required. Before proceeding with such transaction, the Company must disclose details and reasons related to the transaction to the shareholders similarly to the transactions involving general clients. The Company will adhere to the "Fair and at arms' length" practice, the prevailing market price, and the Securities Exchange Commission (SEC)'s criteria. Such related party transactions are subject to auditing and must be reported to the audit committee accordingly.

The presence of information on good corporate governance policy and the result of compliance with the said policy on the Company's website.

The Company shall form an IR team (investor relations) to communicate all the and information to shareholders, investors, analysts, and general public through various events, media and tools i.e. the meetings/seminars of analysts and institutional investors, quarterly and annual reports, IR newsletters, the conduct of a research to gauge opinions of analysts and investors. IR team shall gather key information in capital market and relevant data for meeting discussion with analysts and investors; prepare and present material information to the Board of Directors, senior executive officers, and employees of the Company, and to get connected with media network to build investors' awareness of the Company's information disseminated through the Company's website (www.globlexholding.co.th) and e-mail (IR@globlex.co.th). The following is the channels to facilitate communication with the Company's Board of Directors:

- By mail : To Secretary of the Company or
Chairman of Audit and Corporate Governance Committee
Globlex Holding Management Public Company Limited
87/2 CRC All Seasons Place 12th Floor, Wireless Road,
Lumpini, Patumwan, Bangkok 10330
- Tel/Fax : 02-6725995/02-6725996
- By e-mail : ir@globlex.co.th

Availability of information on performance-monitoring policies with regard to the care of environment and society.

IR team shall monitor the progress and performance of the Company in the implementation of policies with regard to the care of community, society and environment, and publish them on line through the website of the Company or in an annual report.

Policies to control the use of inside information for The Securities Company.

The Securities Company's Compliance & Monitoring Department is responsible for issuing internal regulations, guidelines, etc. It collaborates with each department to design standard operating procedures for employees to be used as working guidelines. This will enable their conducts to be efficient and to comply with the regulations of the authorities. The Compliance & Monitoring department also reviews employee's working process and assesses the Company's internal control systems. This job ensures that adequate and proper controls are in place to help reducing the Company's operational risks. Other functions of this department include updating the rules & regulations and work procedures of the Company, introducing disciplinary measures to be taken in response to the misconduct of employees against the rules & regulations of the Company and/or of the authorities, circulating announcements issued by the regulatory bodies, and organizing training sessions to communicate the aforesaid information and distributing memo for employees to act in compliance. A report of monitoring results shall be prepared and sent to the audit committee and the Board of Directors of the Company on a monthly basis.

The Securities Company has measures to prevent the conflict of interest and use of inside information for individual stock trading as

- Separated unit that have inside information which undisclosed to public from trading unit and obviously separated function between company and related company. (Chinese Wall)
- Separated manpower in trading unit and operation supporting unit and separated password to log-in to systems. Also, keep the password confidential and allow staffs in trading unit to be able to access to only its own customers.
- Regulated all staffs, spouse, and child under 20 years of age to open trading account with the company only. Beside they have to order their request with assigned person from the company which have the normal process as same as the ordinary customers.
- Specified the stock which are not allow to buy by the Board of Directors, staffs and company's proprietary trading accounts for the Compliance & Monitoring department be able to check the transactions that classified as insider trading on for their own benefits. The Compliance & Monitoring department has to create the Watch List, the Restricted List, and list of stock that company is underwriting and stock that company publishes the research paper.
- The Compliance & Monitoring department will investigate company's staffs' stock transactions.

The Auditor

The Company hired the Auditor who was acknowledged by Stock Exchange of Thailand. The Company has disclosed the audit fee and other service charge in annual report (details appear in The Auditor Remuneration)

The Auditor has no relationships or conflict of interests with or in the Company or its subsidiaries/ executives/major shareholders, including their affiliates. All the information given is to enable the shareholders to have sufficient information to decide whether the nominated person is independent enough to perform the duty as the Company's auditor.

Remuneration for the Auditor

1. Audit fees

In 2017, the Company paid Baht 840,000 (an increase of 5 percent, or Baht 40,000 over 2016) for the audit service fee of Deloitte Touche Jaiyos Co., Ltd. Total audit service fee for the Company and 3 other subsidiaries amounted to Baht 3,260,000 (excluding other out-of-pocket expenses), an increase of 5 percent, or Baht 160,000 over 2016.

2. Non-audit fee

In 2017, the Securities Company paid the total non-audit fees to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited amounted of 300,000 Baht.

Report of the change in common shares of the Copany of director and management

The change in common shares of the Copany of director and management in 2017 as follows:

Name	Position	Common shares				
		At December	Changea in 2017		At December	%
		31, 2016	Acquisition	Dispostion	31, 2017	Shareholding
1. Mr. Oran Koohapremkit Spouse and Minor child	Chairman of the Board	170,000,000 -	62,400,000 -	- -	232,400,000 -	21.34% -
2. Miss Vilailuck Skulpakdee Spouse and Minor child	Chairman of Audit and Corporate Govenance Committee and Independent Director	- -	- -	- -	- -	- -
3. Mr. Suthep Pongpitak Spouse and Minor child	Audit and Corporate Govenance Committee and Independent Director	- -	- -	- -	- -	- -
4. Mr. Suporn Thammaraks Spouse and Minor child	Audit and Corporate Govenance Committee and Independent Director	- -	- -	- -	- -	- -
5. Mr. Tharaphut Kuhapremkit Spouse and Minor child	Director and Managing Director	- -	- -	- -	- -	- -
6. Mr. Sumrit Aunjitttham Spouse and Minor child	First Vice President of Accounting and Finance Department	- -	- -	- -	- -	- -
7. Mr. Noppadon Sakulwattana Spouse and Minor child	Assistant Vice President of Accounting and Finance Department	- -	- -	- -	- -	- -
8. Miss Paradee Tuangkitkool Spouse and Minor child	Manager of Gold Trade Department	- -	- -	- -	- -	- -
9. Mrs. Punchama Sangviroje Spouse and Minor child	Manager of Marketing Department	- -	- -	- -	- -	- -

5. Responsibilities of the Board of Directors

The Company has prepared the policy and guidelines pertaining to the Board of Directors' duties and responsibilities which require that the directors must have leadership qualities, vision and be independent to make decisions. This includes laying the business goals and course of actions which will be reviewed at least every 5 years to ensure maximum benefits for the Company and shareholders. The Company has separate system to clearly divide the role and duties of the Board of Directors and the management to ensure the business operations comply with applicable laws, good governance and business ethics. The Company has specified business code of conduct and ethics of directors, executives and employees. The Company has set the guidelines to promote employees' understanding and compliance to business code of conduct and ethics of directors, executives and employees. Violators will face investigation and disciplinary actions which could lead to expulsion, or legal action of necessary. The Company has disclose business code of conduct and ethics of directors, executives and employees policy and guidelines which directors, executives and employees are required to follow on the Company's website.

The Board of Directors sets and reviews the Company's vision, mission and business strategies to guide the Company's operations. The Board of Directors will review the Company's vision, mission and business strategies each year in line with the prevailing business/economic environment, including monitoring and implementation of the work plans and business strategies.

Structure of the Board of Directors

The Board of Directors comprise of the Chairman of the Board of Directors, and the Board members, whose number depends on the Company's business operations scope to ensure operations efficiency. The number of Board of Director members is at between 5 to 11 persons. At least half (not less than 3) of the Board of Director members are not related to the Company's business, or have any vested interest in the Company which may affect independent decision making of at least one-third of the total number of directors and audit committee at least three persons. At least two-thirds of the total number of Board of Director members must be present at the Board of Directors meeting in order to approve, or pass a resolution.

Directors shall be appointed transparently and openly in accordance with the Company's by-laws and relevant legal provisions. The Recruitment of Directors is conducted through the recruitment process handled by the recruitment committee who will consider information with adequate details about academic and professional qualifications of a person to support the decision-making of the Board of Directors and/or shareholders. Directors' term of office is prescribed in the Company's by-laws. At every annual general meeting of shareholders, one-third of directors shall retire by rotation, if their number is not a multiple of three, the nearest to one-third but not exceeding one-third shall retire, and a retiring director may be reappointed. Any director wishing to resign from office before the end of his or her term shall inform the Company of such intention together with reasons no less than 1 month in advance.

Because the Board of Directors plays important roles in the formulations of business policies and check & balance systems, it is essential that a board member have adequate leadership, vision and experience to draw up effective policies for the management to implement and have adequate independence to perform the function of checks and balances to ensure the correct implementation of business policies by the management. The Board of Directors should consist of specialists in diverse fields to see the issue i.e. risks and opportunities from a different perspective. Although the roles and

responsibilities of the Board and the management are separate, a board member may take office as an executive on condition that he or she has an insight into business and can coordinate the work of the Board and the management. To prevent unlimited power of either party and to avoid overlapping authority of both parties, the roles and powers of the Chairman of the Board and the Chief Executive Officer are clearly and separately defined-in other words, the Chairman of the Board is a leader in terms of policy making whilst the CEO is a leader in terms of management. In addition, the Company has also specified the need to ensure diversity of its board of directors, in terms of gender, occupational background, technical expertise and special skills/knowledge.

The Company's Board of Directors placed a maximum limit of 3 on the number of listed firms which the Company's directors can hold a director post in to ensure the directors have adequate time to work effectively for to the Company. Any director who must hold a director post in more than 3 companies must notify the Company and justify the need for doing so and assure that it will not adversely affect the director's duties which the director has to fulfill for the Company.

The rule which prohibit company's board member to hold more than 5 similar posts at other companies is to ensure high level executive have allocate adequate time to fully perform their company's duties. Their holding of board member posts in other companies must not violate the rules/regulations of the related regulatory agency, such as the prohibition of a securities firm's executive to hold other similar posts in another securities company; and such director must not hold post with authority to sign on behalf any other company. Furthermore, the Company's Board member must seek approval from the Company's Board of Directors before he / she can accept a similar post at another securities firm, and/or receive authority from other company to sign on their behalf.

The Company discloses information of each directors and executives for the shareholders in the Company's annual report and the information form (56-1)

As at December 31, 2016 and 2017, the Company had three independent directors out of six directors, who are not engaged in the Company's management, or accounted for 50% of all, constituting a proper balance of power.

	<u>Year 2016</u>	<u>Year 2017</u>
- Managing Director	1	1
- Director who is a representative of ultimate shareholder	1	1
- Independent Director	3	3
- Director	-	-
Total	<u>5</u>	<u>5</u>

As at December 31, 2017 and 2016, the Securities Company had two independent director out of five directors, who are not engaged in the Securities Company's management, or accounted for 40% of all, constituting a proper balance of power.

The Company has appointed a Company's Secretary assigned to advice Board of directors members about the various applicable laws and regulations which they should be aware of adhere to in their role as the Company's Board of Directors. The secretary will also organize an orientation session for newly appointed Board of Director members.

Board of Directors' Meeting

The Company's Board of Directors meeting is scheduled at least one time per quarter. The Board members are notified in advance of the meeting date so they can allocate time for the board meeting. The Board's chairman will run the meeting which every board member should attend every time. The Board's Chairman will participate in the establishing the board meeting rules and agenda with the company's high level executives and ensure the Board members receive the Board meeting documents at least 7 days before the meeting so they will have adequate time to review and analyze the information on various issues on the agenda in order to provide appropriate opinions/suggestions accordingly.

At the meeting, the Chairman of the Board and/or person assigned by the board chairman, will provide a brief summary of the relevant issues on the agenda for the Board members to consider. Adequate time will be allocated to allow the management to raise the issues and to allow the Board members to debate/discuss the issues thoroughly. Each Board member will be encourage to express their opinions and the all the comments/ suggestions will contribute towards the conclusion which the majority of the Board members agreed on.

For each board meeting, any Board member which stands to gain, or lose in the issue to be considered must leave the board meeting session for that particular agenda. In considering any issue on the agenda, the Board members may request to see/review the related documents, or request the management officer, or external advisor/expert/specialist directly related to the particular issue to provided further information if necessary, at the Company's expense. The resolution of the meeting must have at least two-thirds of the total number of Board of Directors members and hinge on the majority votes of the Board of Dierctor members. Opposition to any issue on the agenda by any board member will be included in the Board meeting report.

The Company's Board of Directors will receive the Company's monthly operations to help them regularly monitor and regulate the performance of the Company's management unit. Furthermore, the Board of Directors does not access to additional information which they need from the company's high level executives, or the Company's secretaries or other authorized management officers within a reasonable scope.

The Company provides a secretary to prepare all the related board meeting documents on the meeting agenda, the invitation letters to the Board meeting, arrange/organize the Board meeting and provide advice to ensure the Board of Directors function in accordance to the applicable rules/regulations/laws.

In 2017, the Board of Directors' meeting 8 times. The number of meetings attendance of each director was held as follows:

Name List	Position	No. of meetings attended/Held
1. Mr. Oran Koohapremkit	Chairman of the Board	8/8
2. Mr. Kanit Sukonthaman ⁽¹⁾	Chairman of the Audit Committee and Independent Director	-/-
3. Miss Vilailuck Skulpakdee ⁽¹⁾	Chairman of the Audit Committee and Independent Director	7/8
4. Mr. Suthep Pongpitak	Audit Committee and Independent Director	7/8
5. Mr. Suporn Thammaraks	Chairman of the Audit Committee and Independent	8/8
6. Mr. Tharaphut Kuhapremkit	Director and Managing Director	8/8

Note : ⁽¹⁾ Mr. Kanit Sukonthaman resigned from Chairman of Audit Committee and Independent Director on 17th January 2017 and Miss Vilailuck Skulpakdee was appointed as the replacement, effective from 17th January 2017 onwards

Remuneration of Directors and Senior Executive Officers

Remuneration Committee shall scrutinized consider, and propose the Remuneration of Directors to the Board of Directors and Senior Executive Officers for forwarding it for consideration and approval by the Shareholders of the Company. Directors' remuneration shall be at reasonable and competitive levels with other companies in the same industry, by considering professional experiences, obligations, scope of duties and responsibilities, benefits anticipated from each director's contribution, and sufficient motivation to attract and to retain a qualified director. A director whose additional duties and responsibilities are required deserves extra benefits at a reasonable rate.

The remuneration for the Company's senior executive officers will be in accordance to the Company's policy specified by the Board of Directors and agreed by the high level executives as appropriate, enticing for the long-term and reflect the past job performance. After evaluating the remuneration, the wage rate compensation committee will propose the scheme to the Board of Directors for approval. The Chairman of the Board of Directors will then notify the highest ranking executive of the outcome of the compensation scheme consideration.

In 2017, the Company disclosed remuneration of directors on an individual basis.

Conflict of interest

Conflict of interest may arise from related parties transactions between the Company and another party. The party who stands to gain, or lose in a particular case will not be allowed to participate in the approval process of that particular matter. The Company's Board of Directors must proceed with the work operations in accordance to the laws, rules/regulations of the Stock Exchange of Thailand, the Securities Exchange Commission, disclose information about related parties transactions, or sale/acquisition of Company's assets and comply with accepted accounting standards.

In addition, the Audit and Corporate Governance Committee, the compliance and internal audit department and auditor must review the transaction and provide opinions on the appropriateness of such transaction and disclose such opinion in the footnote section of the financial statements audited by the Company's auditor in Form 56-1 and the annual report (Form 56-2)

Report of the Board of Directors

The Board of Directors is also in charge of overseeing the financial reporting process to ensure that the Company's financial statements is prepared in accordance with generally accepted accounting standards, by selecting, using and consistently abiding by appropriate accounting policies, exercising careful discretion to choose among alternative approaches in obtaining the best estimate for the preparation of financial statements, as well as the adequate disclosure of significant information in the notes to the financial statements. The Board of Directors shall assign the Audit Committee consisting of non-executive director a duty to examine and to verify financial reports to ensure that the information is wholly correct and adequately disclosed; especially the information of related party transactions or any transaction that a conflict of interest is present. The Audit Committee members shall meet every month to discuss matters involved and to report them to the Board of Directors.

Board of Directors' Self Assessment

The Company specifies that the Board of Directors will evaluate their job performance via self-assessment at least once a year for the last 12 months period. The objective is to review the work results, the problems and obstacles in order to formulate solutions and make improvements. This will also help foster relations between the Company's Board of Directors and the management.

The self-assessment guidelines are adapted from the Stock Exchange of Thailand's model to fit the Company's needs. The areas to be evaluated comprise of the directors' roles, duties, responsibilities, directors' meetings and relationship with the Company's management.

The Company's secretary will send the self-assessment forms to the Company's directors at the end of each year. The secretary will collect all the self-assessment forms and submit the summary report to at the Board of Directors' meeting accordingly.

At the Board of Directors meeting, number 8/2017, held on December 13, 2017-each director filled out a self-performance evaluation form. The findings show that the majority of the Board substantially agrees about the review of performance, solutions to various problems and obstacles, relationship between the Board and the management in the past year. The majority of the Board also agreed that its duties were completely fulfilled thanks to directors' preparedness, their understanding of business, formulation of strategies and business plans, risk management and internal control, their supervision to avoid conflict of interest, their monitoring of financial reporting, and their monitoring of business activities in the past year.

Assessment of executives' job performance

The Company's Board of Directors evaluates the job performance of highest level executives at the end of each year based on their ability to perform according to the Company's plans and strategies and their relationship with the Board of Directors. The Company's Board of Directors will then used the evaluation results to set the appropriate remuneration for the executives.

At the Board of Directors meeting, number 8/2017, held on December 13, 2017-each director filled out a evaluates the job performance form.

Internal Audit and Internal Control and Risk Management

The Board of Directors has established the policy to ensure that the Company has effective internal control systems covering finance, operations and work process in compliance with relevant laws, rules & regulations. The Board of Directors enforces the policy on risk management systems to ensure that the Company has in place a proper and sufficient check-and-balance mechanism to prevent the abuse or misuse of power and to secure equilibrium among the duties and responsibilities of executive officers.

The Company's subsidiaries (the Securities Company) have established a compliance and internal audit department and supporting unit in accordance to the Company's mandate to ensure effectiveness and adequacy of the internal control and compliance system. The compliance and internal audit department directly report to the Company's internal audit committee and is authorized to audit independently without interference from other departments.

Business Ethics

The Company published "Business Code of Conduct" as a guideline for directors, executive officers and employees to run the business. The Company also published "Compliance Manual for Employees" and "Ethics of directors, executives and employees" to be practiced and abided by employees, as a practitioner/professional, by applying skills, knowledge, competences, and professional standards that are not against any statutory requirements, code of ethics, regulations and policies.

Development of directors and executives

The Company's Board of Directors' policy is to regularly develop the work skills and knowledge of directors, audit committee members and the Company's secretary to ensure their optimal job performance.

Transition of executive posts

The Company's Board of Directors has set plan to facilitate the transition of high ranking executive posts whereby the Board of Directors is tasked with setting the criteria and plan to facilitate the transition of executive posts when the posts become vacant. This is to ensure the confidence of investors, organization and employees that the Company's management operations will not be interrupted.

Corporate Governance Code (CG Code)

With reference to the Securities Exchange Commission (SEC)'s corporate governance code (CG code) of 2017 which serve as guidelines to help listed companies maintain financially healthy operations for the long-term on a sustainable basis for shareholders and involved parties, the Company's Board of Directors, as governing body, has adhered to the CG code guidelines and is aware of the role and duties of the governing body in creating value for the business operator in the long-term; as well as evaluate the Company's overall operations in accordance to the CG code guidelines by reviewing the evaluation results obtained by the management assigned to conduct it and provide preliminary explanation.

Corporate Social Responsibilities (CSR)

Policy Overview

The Company and subsidiaries have a policy to operate our businesses morally, ethically and professionally, pay attention to stakeholders, the economy, society and the environment and to abide by the principles of good corporate governance to ensure that our operations are conducted in a fair, honest and transparent manner in awareness of impacts on the economy, society, natural resources and the environment, which will be beneficial to operational and social sustainability. CSR principles are described below.

1. Fair Business Practices

The Company have a policy on the promotion of fair business practices, consisting of fair competition, responsibility to trade partners, respect for property rights, and political involvement in a responsible manner. Additionally, the Company promote employee awareness of the importance of compliance with fair business practices.

2. Anti-Corruption

The Company's and subsidiaries policy is to uphold integrity and transparency of its operations and strive to be a socially responsible organization. The Company will strictly adhere to good corporate governance. In 2012, the Company became a member of the a local private sector's anti-corruption organization whose goal is to oppose and eradicate all forms of direct and indirect fraudulent activities, or corrupt practices via cooperation with private/state agencies, business alliance, subsidiaries and affiliated companies in accordance to internationally accepted operational guidelines, framework and procedures. Violators of rules/regulations pertaining to fraudulent activities, and/or corrupt practices will be subjected to applicable penalties accordingly.

In addition, the operations audit division of the Company and subsidiaries regularly assess potential risks related to fraud and corruption and report their findings to the Company's audit committee. The Company also provide seminar for employees so they can act in line with the Company/subsidiaries' policy on fraud and corruption and help detect and notify the Company/subsidiaries about such practices which the Company/subsidiaries will strictly treat as confidential information for the safety of the person(s) providing such information. This policy against fraud and corruption was approved by the Company's Board of Directors on November 12, 2013.

In 2016, the Company and subsidiary-Globlex Securities Co., Ltd. has been accepted by the Thai Institute of Directors to serve as a secretary to the private sector's Collective Action Coalition Against Corruption Council (CAC) which seeks to tackle fraud and corruption

The Company also support the government's policies on anti-money laundering and combating the financing of terrorism.

3. Respect for Human Rights

The Company have a policy to promote respect for human rights, life and dignity of each individual, non-involvement in an infringement of human rights, non-discrimination on the grounds of a person's race, nationality, religion, gender, age and educational institute, by treating all parties in a fair and equitable manner in accordance with universal standards. Additionally, the Company assess and manage the risks of infringing human rights in our organization, community and society and refrain from activities that may cause offenses both directly and indirectly.

4. Fair Labor Treatment

The Company have a policy on fair employment and fair treatment on the use of labor. The Company respect and abide by the law, ethical standards and human rights principles. Neither discrimination in employment nor the use of child labor is allowed. Freedom is given for employees to discuss and negotiate for the obtainment of social protection. Wages are paid at a rate prescribed by the law while reasonable remuneration and fringe benefits are given. A pleasant working environment is provided for the promotion of occupational health and safety and the improvement of employees' knowledge and competences for career advancement in due course.

5. Responsibility to Consumers

The Company have a policy on responsibility to consumers in awareness of their rights which consist of right to basic needs, right to safety, right to information, right to choose, right to representation, right to redress, right to consumer education, and right to a healthy environment. The Company have formulated guidelines on fair market management, the production of goods and services that are safe and not hazardous to health, the storing of consumers' information in a safe place, customer relationship management both before and after sale, the development of goods and services that will benefit society and the environment, and the provision of knowledge and information that are necessary to support consumers' decision making on whether they will buy/use our products/services.

6. Environmental Care

The Company have a policy on environmental care & management to add value and build sustainability to our company as well as to society and the country. Guidelines on environmental care & management consist of pollution prevention, sustainable use of resources, abatement and adaptation to global warming, environment protection and biodiversity conservation. The Company have conducted a study on environmental impacts that have arisen from our business operations. The Company always seek new knowledge to improve environment-related activities, moderate use of resources, and community participation in environmental care & management and to monitor and evaluate the implementation of environmental care & management policy.

7. Cooperation in Community Development

The Company have a policy on cooperation in community development with the aim of promoting economic strength as well as of reviving society and cultures because the community is a factor that facilitates our business operations. Responsibility to the community and coordinated relationship between our company and the community helps solve social, economic and environmental problems and reduce or eliminate adverse impacts, which have arisen from our business operations, on the community. Additionally, the Company encourage our employees to always participate in a creative activity organized for a good cause by entities in both public and private sectors as well as by charitable organizations.

8. Promotion and Dissemination of CSR Innovation

The Company have a policy on the promotion and dissemination of CSR innovation which has arisen from the development of new knowledge for economic advancement and from the creation of social and environmental wellbeing in a systematic manner. CSR innovation is the result of a successful operation performed with a sense of responsibility to society which brings a change in thought, production or work process whether by a revolution or a total reform or further development. The dissemination of CSR innovation will bring acceptance of an idea and the implementation will affect the structure and culture of our company which will eventually affect social change. Guidelines for success do not only require body of knowledge and experience but also they require a suitable method and a worthwhile use of resources.

Proceeding with work operations in corporate social responsibility and stakeholders

The Company engages in its core business – holding shares in other companies and trading of gold bars. The Company is a member of the Gold Trading Association, Thai Gems and Jewelry Association and has permit from the Department of Local Administration and the Ministry of Interior to trade in antiques. The Company has products under the brand, “GLOBEX”. Details of the gold bar products which the Company trades as follows:

Product	96.50% Gold Bar	99.99% Gold Bar
Weight	5 Baht of Gold 10 Baht of Gold 20 Baht of Gold 50 Baht of Gold	Kilogram
Brand	GBX	Foreign brands in accordance with LBMA standards

The Company import 99.99% pure gold bars under leading brands in accordance with LBMA standards (London Bullion Market Association) that are internationally accepted. The Company produce 96.50% pure gold bars, which are popular domestically, under our own brand “Globlex”, in different weights by melting an imported 99.99% pure gold bar to obtain 96.5% gold purity in accordance with Gold Traders Association’s required standards. The Company gold-melting plant meets international standards; hence, customers have confidence in the quality of our products. Additionally, the Company products gain wide acceptance among gold shops. The Company pricing is derived from the adjustment of world gold prices with baht value. The Company strive to get, as lowest as possible, a transaction cost in gold trading with foreign partners and protect the value of Thai baht by hedging against a baht collapse with a financial institution that has a transaction cost as lowest as possible which will enable our company to determine buying/selling prices on a fair and reasonable basis.

The Securities Company is engaged in the business of providing services as a broker to buy or sell and exchange securities for other persons. The Securities Company has a policy to charge a commission in accordance with the regulations set out by the Stock Exchange of Thailand, thus making its commission charge stand at a fair level. Important data from right and reliable sources are gathered to draw up a research/analysis in an ethically correct manner and the said research/analysis is sent out to customers in a timely manner.

Additionally, the Company and subsidiaries have drawn up a business code of conduct that the Board of Directors, executives and employees must abide by. Moreover, an employee compliance manual containing ethical conduct has been written as guidelines for Board of Directors, executives and employees to behave accordingly as an employee by using his/her professional skills, knowledge and competences without contradiction to any of the provisions, regulations and policies of our company so that we can provide services to our customers in an ethically correct and fair manner. Audit & compliance department has the duties to issue relevant notices and regulations as well as to cooperate with other departments to draw up work procedures so that the employees of the Securities Company can carry out their duties effectively and correctly in accordance with the requirements set out by Audit & compliance department. Audit & compliance office also has the duties to conduct a review of employee performance and internal controls to ensure accuracy and consistency thereof.

Since the business operations of the Company/subsidiaries has no direct impact on the environment, the Company/subsidiaries place emphasis on potential impact on society and every stakeholders by specifying the procedure guidelines and the importance of the rights and participation of stakeholders. This way, the Company/subsidiaries would know their about needs in order to fulfill such needs accordingly, as follows:

Shareholders: The shareholders expect good operations results and look forward to long-term business growth, including timely, full, equitable and transparent disclosures of the Company/subsidiaries' information via various channels. For this purpose, the Company/subsidiaries organize annual shareholders' meeting to report the operations results accordingly.

Employees: The employees seek adequate compensation/benefits/health insurance, stability, work skills/knowledge development, career advancement, and safe working environment. The Company/subsidiaries has treated employees as family members and has provided adequate compensation/benefits, as well as a clean, secured working environment to foster teamwork and career development/advancement for all employees in a equitable manner. This includes unbiased job transfers/job appointments which are based on maximum utilization of human resources and strict compliance to labor laws/regulations. The Company/subsidiaries provides annual health examination, provident fund, life and health insurance to all employees.

Clients: The Company/subsidiaries strive to provide quality products and service, good investment information to the clients in order to earn their trust and satisfaction. The Company/subsidiaries continue to develop products, improve service, expand distribution channels for the clients, as well as provide timely, complete and accurate information to them.

The Company/subsidiaries will strictly maintain clients' confidential data/information and will not disclose it without the clients' permission except for information which the Company/subsidiaries must disclose to related external person(s) as required by laws/regulations. The Company/subsidiaries have channel to receive clients' complaints in order to promptly and fairly resolve any pending problems.

Trade Partners: Trade Partners expect business to be conducted fairly with transparency. All business dealings with business alliances/trading partners must not tarnish the Company/subsidiaries' good reputation and must not violate the laws/regulations. The Company/subsidiaries will treat all business alliances/trading partners equitably in conducting businesses with fair mutual benefits as the goal, as well as strictly comply with all contractual terms/conditions.

Creditors: Creditors expect timely repayment of loan principal and interest. The Company/subsidiaries will strictly comply with all debt obligations and terms/conditions as stated in the loan contracts, and safeguard loan guarantees and collaterals. The Company/subsidiaries will notify and discuss with the creditor in advance to resolve any problem pertaining to issue/problem which may, or will affect debt/loan repayment.

Community/society: The Company/subsidiaries will encourage employees to regularly participate in activities in conjunction with state agencies and private organizations which will benefit the communities and society in general.

Activities in the interests of society and the environment

The Company always promote activities for social and environmental benefits by encouraging our people to participate in creative campaigns/programs, organized by both public and private agencies including charitable organizations.

Internal Control and Risk Management

The Company has established policy on internal control and risk management system. The Audit and Corporate Governance Committee is tasked with ensuring the Company's operations comply with good corporate governance, risk management guidelines, related laws/regulations. This is to minimize conflict of interest especially with related party transactions, reduce fraud/corruption, facilitate auditing and maintain proper balance in the organization.

The Company and subsidiaries (the Securities Company) have established an internal and risk management department which operates independently and directly report to the Company's internal audit/corporate governance compliance committee. The aim is to ensure effectiveness and adequacy of the internal control and risk management system for the Company and subsidiaries.

The internal audit/corporate governance compliance committee has the authority pertaining to the appointment, transfer, employment termination of the head of the internal audit/corporate governance compliance committee as well as evaluate the performance of the internal audit department.

Furthermore, the Company's Board of Directors will evaluate the adequacy of the of the internal control and risk management system each year in accordance to the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) guidelines with are referenced to COSO (The Committee of Sponsoring Organizations of the Tread way Commission)

1. Summary of Board of Directors' opinions

The Company's Board of Directors meeting (8/2017) on December 13, 2017 which 3 members of the Audit and Corporate Governance Committee also attended. The Committee assessed the adequacy of the of the Company's internal control and risk management system. As for the Securities Company, 2 members of the Audit and Governance Committee attended the board of directors meeting (8/2017) on December 13, 2017, and evaluated the Company's in 5 of the following areas:

1. Internal control system
2. Risk assessment
3. Operations control system
4. Information & communication system
5. Operations monitoring system

The Company's Board of Directors believe the Company's internal control and risk management system are adequate and appropriate for the mentioned 5 areas. The Company also has adequate system to control the transactions with major shareholders, directors, executives, or related parties. The Company's internal control and risk management system has been functioning properly with no deficiencies.

2. Opinions of the Audit and Governance Committee

The Audit and Governance Committee agreed with the Company's Board of Directors that the Company's internal control and risk management system adequately cover the 5 mentioned areas of the operations of the Company and subsidiaries. The Audit and Governance Committee's evaluation report is attached with this annual report.

3. Head of the Company's Compliance and Internal Audit Department

The Audit and Governance Committee believes Mr. Prapan Titiphumdecha who is the head of Compliance and Internal Audit Department has performed his duties effectively and is appropriate for this job position.

Related Parties Transactions

The Company has considerable transactions with related parties which must comply with applicable laws, rules/regulations of the Stock Exchange of Thailand and accounting principles with regards to information disclosure pertaining to transactions with related persons or companies. The Audit and Governance Committee will provide its opinion on the related parties transactions to ensure fairness, reduce conflict of interest so it would be in accordance to normal business transaction and general trade terms/conditions.

Related parties transactions between the Company and related companies during 2016 and 2017

The relationships with related parties are as follows:

	Type of relationship
Globlex Securities Company Limited	Subsidiaries
Globlex Connect Company Limited	Subsidiaries
Asia Equity Venture Company Limited	Subsidiaries
Related person	Related person with of Director and Management

Pricing policies for each transaction are described as follows:

(Unit : Thousand)

	<u>2016</u>	<u>2017</u>	<u>Pricing policy</u>
Brokerage fee income from sell/purchase order of securities Related person	466	73	At announcement of subsidiary
Dividend income			
Globlex Securities Co., Ltd.	40,000	-	At announcement of subsidiary
Interest income from short-term loans			
Globlex Connect Co., Ltd.	21	-	At interest rate of 2.50 percent per annum
Interest received from deposits of derivative			
Globlex Securities Co., Ltd	2	26	At announcement rate of subsidiary
Brokerage fee expenses from sell/purchase order of securities			
Globlex Securities Co., Ltd	1	596	Brokerage fee expenses applicable to other Customers
Brokerage fee expenses from sell/purchase order of derivatives			
Globlex Securities Co., Ltd	-	3,340	Brokerage fee expenses applicable to other Customers
Rental			
Globlex Securities Co., Ltd	977	1,180	At announcement of subsidiary
Capital One Parters Co.,Ltd.	-	365	
Interest expenses			
Globlex Securities Co., Ltd.	24	-	At interest rate of 2.50 percent per annum
Asia Equity Venture Co.,Ltd.	179	-	At interest rate of 2.50 percent per annum

The outstanding balances of the significant transaction during the period ended December 31, 2015 and 2014 are as follows :-

	(Unit : Thousand Baht)	
	<u>2016</u>	<u>2017</u>
Accrued dividends income		
Globlex Securities Co., Ltd.	40,000	-
Accrued expenses		
Globlex Securities Co., Ltd.	160	263
Other liabilities		
Globlex Securities Co., Ltd.	-	2,544

The necessity and reasons behind the related parties transactions.

The related parties transactions between the Company and its subsidiaries are necessary and reasonable. The brokerage commission received from directors and related persons are in the same rate as normal market rate. The other transactions related to the funding support was made in order to have the Securities Company gain more sufficient working capital during higher trading activities.

The Audit Committee provided the comments regarding the reasonableness of the related parties transactions, except for the loans and borrowings of related persons, that the sufficient and accurate information have been disclosed and for the Company earned and paid the compensation for the connected transaction occurred in the past till the present at the fair market value.

Procedures approval steps of the related parties transactions.

The Board of Directors or authorized persons cannot approve any transactions, which he/she have a conflict of interest, either with the Company or its subsidiaries, and must be in accordance with the relevant regulations of the SEC Act and shall follow the guidelines of information disclosure of related parties transactions, and acquisition or disposal of assets of the Company or its subsidiaries.

Policies or directions of the related parties transactions in the future

The Company's policy regarding the future related parties transactions is to set conditions according to the normal business practice at the normal market or fair price. In this regard, the Company will assign the independent directors, audit committee, external auditors, or independent advisors, to consider, to review, and to comment on the appropriateness of the price and reasons behind those transactions. All of the transactions have to get an approval from Audit Committee prior to present to the Board of Directors for approval.

Regarding securities trading of connected persons, the Company has a policy to set the commission rate for trading including credit limit approval, etc, similar to normal customers.

Management Explanation and Analysis of Financial Status and Performances

1. Operating results

Revenues

The Company and subsidiaries

(Unit : Thousand Baht)

Operating result	Consolidated			
	2016		2017	
Revenue				
Sales Income from gold bars	55,960,647	98.88%	52,011,021	98.96%
Brokerage fees	428,535	0.76%	337,053	0.64%
Derivatives fees	53,403	0.10%	37,913	0.07%
Fees and services income	21,632	0.04%	62,203	0.12%
Interest and dividend income	28,654	0.05%	32,927	0.06%
Interest on margin loans	36,279	0.06%	28,599	0.05%
Gain(Loss) on trading in securities	41,466	0.07%	3,470	0.01%
Gain(Loss) on trading derivatives	17,571	0.03%	42,456	0.08%
Other income	5,958	0.01%	1,914	0.01%
Total revenue	56,594,145	100.00%	52,557,556	100.00%

Revenue

In 2017, the Company and subsidiaries generated Baht 52,557.56 million in total revenue, a decrease of Baht 4,036.59 million, or by 7.13%. Sales of gold bars stood at Baht 52,011.02 million, or 98.96% of total revenue, decrease by Baht 3,949.63 million from 2016, or by 7.06% due to gold price fluctuates throughout the year 2017. The peak and lowest price was at \$1,346.25 and \$1,151.00 per ounce respectively. Supporting factor for price of gold in 2017 was the U.S. dollar depreciation, amid factors which caused price volatilities, such as central banks economic stimulus measures (e.g. interest rates hikes/cuts) and stocks markets rallies which reflected improving world's economies. Meanwhile, the Middle-East situation between Israel and Palestine following the U.S. official recognition of Jerusalem as the capital of Israel and U.S.-North Korea tension contributed to higher demand for safe investment asset such as gold and price increase of gold towards year-end 2017.

Furthermore, the Company and subsidiaries also earned Baht 1.55 million income from interest and dividends in 2017, a decrease of Baht 39.74 million from 2016 due to the Company did not receive dividends from subsidiaries in 2017.

As for the Securities Company of the Company's subsidiary firm, the Stock Exchange of Thailand (SET) index as of year-end 2017 was at 1,753.71 points, rose at 210.77 points from the year before with SET and Market for Alternative Investment (MAI) combined average daily trading value in 2017 of Baht 50,114 million, down by 4.59% from the average daily trading value in 2016 of Baht 52,526 million. The Securities Company had average daily trading volume of Baht 1,715.13 million and 1.91% market share, down from the last year's average daily trading volume of Baht 2,024.61 million and market share of 2.15%. The Securities Company firm generated total revenue of Baht 543.37 million in 2017, a decrease of Baht 88.00 million or 13.94% from Baht 631.36 million

in 2016, which comprised of securities and derivative brokerage fees of Baht 378.60 million, or 67.69% of total revenue, a decrease of Baht 103.34 million or 21.44% from Baht 481.94 million in 2016. Profits from trading of securities and derivatives decreased from Baht 59.69 million in 2016 to Baht 40.29 million in Baht 2017. Income from interest and dividends rose from Baht 27.40 million in 2016 to Baht 31.37 million in 2017. Income on margin loans decreased from Baht 36.28 million in 2016 to Baht 28.60 million in 2017. Income from fees and services up from Baht 21.75 million in 2016 to Baht 62.58 million in 2017.

Expenses

The Company and subsidiaries

(Unit : Thousand Baht)

Operating result	Consolidated			
	2016		2017	
Expenses				
Cost of Goods Sold	55,921,448	98.81%	51,966,179	98.87%
Personnel expenses	325,415	0.57%	295,370	0.56%
Premises and equipment expenses	70,839	0.13%	71,646	0.14%
Depreciation and amortization	17,504	0.03%	12,445	0.02%
Doutful debt	(4,835)	-0.01%	2,328	0.01%
Fees and services expenses	100,595	0.18%	82,093	0.16%
Director's remuneration	2,175	0.01%	1,975	0.01%
Management benefit expenses	37,365	0.07%	31,888	0.06%
Other expenses	49,688	0.08%	65,899	0.12%
Financial costs	21,969	0.04%	21,583	0.04%
Total expenses	56,542,163	99.91%	52,551,406	99.99%

In 2017, the Company and subsidiaries incurred a total of Baht 52,551.41 million in expenses, or 99.99% of total revenue, down by 7.06%, or Baht 3,990.75 million in 2016. Most of the expenses last year were costs related to gold bars trading of Baht 51,966.18 million, or 98.87% of total revenue, down by 7.07%, or Baht 3,955.27 million in 2016. The decreasing costs of sales were in line with the decreasing gold bars sales. The Company's management and operating expenses amounted to Baht 585.23 million, down by 5.72% or Baht 35.48 million in 2016, as a result of lower personnel expenses and lower fees and services expenses.

The Securities Company's operations expense dropped by Baht 52.82 million, or 11.86% from Baht 445.52 million in 2016 to Baht 392.70 million in 2017. The ratio of operations expense to total revenue was 70.56% and 72.27% in 2016 and 2017 respectively. Most of the operations expense related to personnel expenses decreased by 15.51% from Baht 330.74 million in 2016 to 279.44 million in 2017. The expense related to premises and equipment expenses fell from Baht 78.85 million in 2016 to Baht 75.03 million to 2017 or decreased 4.84% and other expenses fell from Baht 39.89 million in 2016 to Baht 35.61 million to 2017 or decreased 10.73%.

Net Profit (Loss)

In 2017, operations results of the Company and subsidiaries showed net profit of Baht 1.60 million, down by Baht 39.15 million, or 96.07% from Baht 40.75 million in 2016, due to the total revenue of the Company and subsidiaries decreased by Baht 4,036.59 million, while total expense decreased by only Baht 3,990.75 million, resulting in down return on equity figure of 2.91% in 2016 to 0.11% in 2017.

In 2017, the operations results of the Securities Company showed Baht 7.36 million net profit, down by Baht 33.81 million from Baht 41.17 million in 2016, due to the profit decrease from income from brokerage fees and gain on securities and derivatives.

2. Financial Position

Total Assets

The Company and subsidiaries

(Unit : Thousand Baht)

	Consolidated			
	2016		2017	
Financial Position				
Cash and cash equivalents	417,172	15.01%	262,570	8.88%
Current investments	134,312	4.83%	425,061	14.37%
Trades receivable account	661,068	23.79%	1,032,713	34.92%
Receivable from clearing house	425,150	15.30%	125,452	4.24%
Securities and derivative business receivables-net	885,920	31.88%	887,997	30.02%
Derivatives assets	12,168	0.44%	9,359	0.32%
Inventories - net	362	0.01%	219	0.01%
Other current assets	1,128	0.04%	803	0.02%
Total current assets	2,537,280	91.30%	2,744,174	92.78%
Deposits at financial institutions pledged as collateral	100,000	3.60%	75,000	2.54%
Available-for-sales investments	25,613	0.92%	20,571	0.70%
Other long-term investments	7,800	0.28%	7,800	0.26%
Leasehold improvements and equipment - net	33,359	1.20%	29,645	1.00%
Intangible assets – net	24,628	0.89%	26,425	0.90%
Deferred tax assets	922	0.04%	1,155	0.04%
Other non-current assets	49,284	1.77%	52,773	1.78%
Total non-current assets	241,606	8.70%	213,369	7.22%
Total assets	2,778,886	100.00%	2,957,543	100.00%

Liabilities and Shareholders' Equity

The Company and subsidiaries

(Unit : Thousand Baht)

	Consolidated			
	2016		2017	
Current Liabilities				
Trade and other payables	647,534	23.30%	1,081,976	36.58%
Payable to Clearing House	-	-	86,521	2.92%
Securities and Derivatives business payables	678,374	24.41%	382,713	12.94%
Derivatives liabilities	12,363	0.44%	2,829	0.09%
Income tax payable	6,070	0.22%	124	-
Other current liabilities	7,626	0.28%	6,813	0.23%
	1,351,967	48.65%	1,560,976	52.78%
Non-Current Liabilities				
Employee benefit obligations	14,621	0.53%	17,597	0.59%
Total Liabilities	1,366,588	49.18%	1,578,573	53.37%
Shareholders' Equity				
Share capital—Common shares, Baht 1 par value				
Authorized share capital				
1,460,000,000 shares, Baht 1 par value	1,460,000,000		1,460,000,000	
Issued and fully paid-up share capital				
1,089,076,392 shares, Baht 1 par value	1,089,076	39.19%	1,089,076	36.82%
Premium on shares	258,703	9.31%	258,703	8.75%
Other components of shareholders' equity	(25,316)	-0.91%	(27,567)	-0.93%
Retained earnings (Deficit)				
- Appropriated for legal reserve	31,992	1.15%	31,992	1.08%
- Unappropriated	57,843	2.08%	26,766	0.91%
Total Shareholders' Equity	1,412,298	50.82%	1,378,770	46.63%
Total Liabilities and Shareholders' Equity	2,778,886	100.00%	2,957,543	100.00%

Total assets

The value of total assets held by the Company and subsidiaries, as of December 2017, was Baht 2,957.54 million, mostly comprised of Baht 262.57 million in cash/cash equivalent, Baht 1,032.71 million in trade and other receivables, Baht 888.00 million in securities and derivatives business receivables, Baht 125.45 million in receivables from clearing house, Baht 425.06 in temporary investments. The value of total assets rose by Baht 178.65 million, up by 6.43% over 2016. The Company and subsidiary has investment structure to ensure liquidity and investment flexibility to timely match with the changing market/economic environment.

Cash and Cash Equivalents

In 2017, the Company and subsidiaries' net cash and cash equivalent (after deducting bank deposits / investment fund on behalf of the Securities Company's clients) amounted to Baht 262.57 million, decreased Baht 154.60 million, compared to Baht 417.17 million in 2016. The Company and subsidiaries have net cash used in operating activities of Baht 139.50 million. Figures which increased include temporary investments, payable to clearing house, securities and derivatives business receivables, trade and other payables, trade and other receivables, payable to clearing house and interest received. Figures which decreased include Receivables from clearing house, securities and derivatives business payables, interest paid and income tax expenses. Net cash used in investing activities Baht 10.24 million in cash paid for purchase of leasehold improvement and equipment, intangible assets.

Securities and Derivatives Business Receivables

The securities and derivatives business receivables increased from Baht 885.92 million in 2016 to Baht 888.00 million in 2017. In late 2017, the clients' securities trading volume increased. The securities and derivatives business receivables comprised of receivables from margin loans accounts which increased from Baht 410.90 million in 2016 to Baht 426.50 million in 2017, securities receivables of cash accounts which increased from 412.50 million in 2016 to Baht 418.20 million in 2017.

Furthermore, the Securities Company had segregated the receivables from securities clients and interest receivables in accordance to the Securities Exchange Commission (SEC)'s announcement pertaining to the accounting record for substandard borrowers of securities firms. As of December 31, 2016 the Securities Company has substandard loans (not exceed 3 days in overdue loan repayment) of Baht 0.15 million. However, after the balance sheet date, the Securities Company received full loan repayment. The doubtful loan accounts increased from Baht 65.04 million in 2016 to Baht 66.94 million in 2017, by there were 2 clients of Baht 64.47 million as the loans pertained to clients' securities trading (on margin) under the credit balance system in 2010 since the market value of securities which served as collateral have fallen sharply. The Securities Company has demanded all the securities (collateral) under legal proceeding to be sold off accordingly. The remaining clients are in legal proceedings as well.

Temporary investments, Available-for-sale investments and Other long-term investments

In 2017, the Company and the Securities Company had Baht 425.06 million for temporary investments, up by Baht 290.75 million from 2016. The temporary investments was to facilitate trading of listed securities in SET and mutual funds.

The Company's available-for-sale investments was Baht 20.57 million in 2017, down by Baht 5.04 million from 2016. This available-for-sale investments was for entirely for investment in securities in SET.

The other long-term investments of the Securities Company was at Baht 7.8 million, the same as in 2016. This investments was for long-term investment in TSFC Securities Public Company Limited.

The Company's investment and the Securities Company changed in accordance to changes in the market conditions and returns on investment.

Liquidity

In 2017, the Company and subsidiaries' cash and cash equivalent position decreased by Baht 154.60 million from net cash used in operating activities of Baht 139.50 million and Baht 17.92 million for investing activities. The Company and subsidiaries did not have liquidity problem for last year's operations. As of year-end 2017, the Company and subsidiaries had no outstanding loans from financial institutions. Figures which increased were temporary investments at Baht 293.08 million, payable to clearing house at Baht 86.52 million, trade and other receivables at Baht 387.16 million, trade and other payables at Baht 429.69 million and interest received at Baht 60.89 million. Figures which decreased include receivables from clearing house at Baht 299.01 million, securities and derivatives business payables at Baht 295.66 million and interest paid Baht 16.48 million. Net cash used in investing activities was related to purchase of leasehold improvement and equipment and purchase of intangible assets.

Sources of Funds

In 2017, the Company and subsidiaries sources of funds were mostly from loans and short-term loans from banks / financial institutions which served as short-term working capital between period relating to the gold bars trading and the securities trading. The Company and subsidiaries have no outstanding loans with financial institutions as of year-end 2017.

Shareholders' Equity

The shareholders' equity portion (as of December 31, 2017) stood at Baht 1,378.97 million, decreased Baht 33.33 million, or 2.36% from 2016, due to the Company and subsidiaries had operating profit of Baht 1.60 million, increased Baht 2.55 million in loss on remeasuring of available-for-sale investments and dividend paid Baht 33.03 million.

Profitability

In 2017, total revenues of the Company and subsidiaries decreased 7.13% from Baht 56,594.15 million in 2016 to Baht 52,557.56 million in 2017, decreased by Baht 4,036.59 million. The total revenues for the Securities Company down from Baht 631.36 million in 2016 to Baht 543.37 million in 2017, a decrease of Baht 87.99 million, or 13.94%.

The Company and subsidiaries' gross profit margin in 2017 was at 0.09% of total revenues, rose from 0.07% of total revenues in 2016, while the gross profit margin for the Securities Company in 2017 was at 74.04% of total revenues, down from the 78.72% of total revenues in 2016.

The Company and subsidiaries' net profit margin in 2017 was at 0.003% of total revenues, down from 0.072% of total revenues in 2016, while the net profit margin for the Securities Company in 2017 was at 1.35% of total revenues, down from the 6.52% of total revenues in 2016.

The reason for the decrease in profitability was due to the decrease in revenue from the Company and subsidiaries, due to the decrease in sales of gold bars and brokerage fees of the Securities Company decreased more than the decrease in total expenses. As a result, the profit margin of the Companies and the Securities Company decreased.

Asset Management Capability

In 2017, the Company has a doubtful debts allowance at Baht 0.42 million and the Securities Company has a doubtful debts allowance increased from Baht 65.04 million in 2016 to Baht 66.94 million in 2017, with 2 clients at Baht 64.47 million who bought securities under the credit balance accounts. In 2010, the Securities Company proceeded with the forced sales of all the collateral assets which backed those securities bought on credit, for which legal action is pending. The remaining clients are in legal proceedings as well.

Capital Adequacy

In 2017, the Company and subsidiaries' debt-to-equity (D/E) ratio was at 1.14 compared to 0.97 in 2016 due to increased liabilities related to trade and other payables of the Company and subsidiaries increased Baht 434.44 million from the year 2016. In late 2017, the Company and subsidiaries had more business transactions with business partners and clients, but securities and derivatives business payables decrease Baht 295.66 million. The current ratio (current asset / current liabilities) of 2017 was 1.76, decreased from 2016 at 1.88, due to current liabilities increased more than current assets. As of year-end 2017, the Company and subsidiaries have not outstanding loans, denoting liquidity management capability and debt repayment capability.

In 2017, the Securities Company's debt-to-equity (D/E) ratio was 0.81 compared to 0.86 in 2016. Most of the debt was short-term (of less than 1-2 days), related to daily securities trading which does not affect the company's capital.

Details of Board of Directors, Executives and Authorized Board to Directors

Globlex Holding Management Public Company Limited (As at 31st December 2017)

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2017)	Family Relation of Executive	Employment History 5 years		
					Period	Position/Company	
1. Mr. Oran Koohapremkit Chairman of the Board and Authorized Director (Appointed as a director on Februray 18, 2004)	66	Bachelor of Business Administration Honorary of BBA Rajamangala University of Technology	21.34% (234.40 million shares)	-	2002-2004	Chairman of the Board Director	Globlex Securities Co.,Ltd.
		Bachelor of Politics Sukhothai Thammathirat Open University Directors Certification Program (August 2004) Thai Institute of Director Director Certification Program (November 2004) Thai Institute of Directors			2014-Present	Honorary Advisor	The President of The National Legislative Assembly (Economics and Finance)

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2017)	Family Relation of Executive	Employment History 5 years		
					Period	Position/Company	
2. Miss Vilailuck Skulpakdee Chairman fo Audit and Corporate Governance Committee and Independent Director (Appointed as a director on January 17, 2017)	65	Ph.D. Public Administration Suan Dusit Rajabhat University			2014-Present	Chief Executive Officer	Professional Waste Technology (1999) PCL.
		Ph.D. Management University of Netherlands			2004-Present	President	B-Horn Co.,Ltd.
		Ph.D., Interdisciplinary (Account) University of Interdisciplinary Studies USA (UIDS.) Directors Accreditation Program Thai Institute of Director Leader Program, Capital Market Academy, The Stock Exchange of Thailand			2004-Present	President	S.V.P. Group Companies

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2017)	Family Relation of Executive	Employment History 5 years		
					Period	Position/Company	
3. Mr. Suthep Pongpitak Audit and Corporate Governance Committee and Independent (Appointed as a director on April 1, 2011)	63	Master of political Science Thammasat University	-	-	2009-2011	Chairman of Audit Committee and Independent Director	Globlex Securities Co., Ltd
		Bachelor of Arts Ramkhamhaeng University			2014-2015	Vice president	Revenue Departure area 4
		Bachelor of Communication Arts Sukhothai Thammathirat Open University			2004-2007	Vice Chairman and Director	Saving And Credit Cooperative of Excise Department, Limited
		Bachelor of law Thammasat University			1989-Present	Speaker	<ul style="list-style-type: none"> The Revenue Department - Federation of Accounting Professions - Chulalongkorn University - Thammasat University
		Bachelor of Education Ramkhamhaeng University			1985-Present	Special Instructor	<ul style="list-style-type: none"> Chulalongkorn University - Thammasat University - Ramkhamhaeng University - Sukhothai Thammathirat Open University - Walailak University - University of the Thai Chamber Of Commerce - Chiang Mai University
		Bachelor of Accounting Ramkhamhaeng University			2513-Present	Chairman of Audit Committee	Asset Bright Plc.

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2017)	Family Relation of Executive	Employment History 5 years		
					Period	Position/Company	
4. Mr. Suporn Thammaraks Audit and Corporate Governance Committee and Independent (Appointed as a director on August 10, 2011)	64	Master of Business Administration	-	-	1981-Present	Director	Manhattan Hotel Co., Ltd.
		Sasin Graduate Institute of Business Administration of Chulalongkorn University			1997-Present	Chairman of the Board Director	Khong Rung Pathumtani Hotel Co., Ltd.
		Bachelor of law			2011-Present	Chairman of the Board Director	Twin Bay Resort Co., Ltd.
		Ramkhamhaeng University Directors Certification Program			2010-Present	Managing Director	Eco Inn Co., Ltd.
		Thai Institute of Directors Certificated from The National Defence College Public Director Certificatio King Prajadhipok's Institute			2010-2012	Director	Industrial Estate Authority of Thailand
5. Mr. Tharaphut Kuhaprembit Director and Managing Director and Authorized Director (Appointed as a director on March 21, 2012)	34	Master Degree in Investment Management	-	-	2011	Independent Director	Globlex Securities Co.,Ltd.
		CASS Business School Bachelor of Art in Economics Boston University Directors Accreditation Program Thai Institute of Directors Directors Certification Program Thai Institute of Directors					
					2006 - 2007	Trader	G.G.R. CAPITAL Co.,Ltd.
					2007	Treasury Department	Siam Commercial Bank Plc.
					2009-2012	Vice President Investment Banking	Globlex Securities Co.,Ltd.

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2017)	Family Relation of Executive	Employment History 5 years		
					Period	Position/Company	
6. Mr. Sumrit Aunjittham First Vice President Accounting & Finance Department and the Company's Secretary	54	Bachelor of Accounting University of the Thai Chamber Of Commerce Fundamentals for Corporate Secretaries Thailand Companies Association	-	-	2002-2010	Assitance Vice President	Finansia Syrus Securities Co., Ltd.

Directors of Globlex Holding Management Public Company Limited and its subsidiaries
(As at 31st December 2017)

Name			Position	Subsidiaries		
				GBS	COP	AEV
1.	Mr. Oran	Koohapremkit	X			
2.	Miss Vilailuck	Skulpakdee	x , xx			
3.	Mr. Suthep	Pongpitak	x , xx			
4.	Mr. Suporn	Thammaraks	x , xx			
5.	Mr. Tharaphut	Kuhapremkit	/ , //		/	/
6.	Mr. Keeratipong	Kuhapremkit		X		
7.	Mr. Virojn	Srethapramotaya		x , xx		
8.	Mr. Opas	Chunhasopark		x , xx		
9.	Mr.Thanapisal	Koohapremkit		/ , //		
10.	Miss Prathana	Makkriangkrai		/, //		

X = Chairman of the Board

/ = Director

// = Executive

xx = Audit Committee

x = Independent Director

GBS = Globlex Securities Co.,Ltd.

COP = Capital One Partners Co., Ltd.

AEV = Asia Equity Venture Co.,Ltd.

Report of Board of Directors' Responsibilities

The consolidated and separate financial statements of Globlex Holding Management Public Company Limited have been prepared in accordance with the generally accepted accounting principles enunciated under the Accounting Act B.E. 2000 including the Accounting Standards issued under the Accounting Professions Act B.E. 2004 and presented in accordance with the regulations of the Securities and Exchange Commission regarding the preparation of financial statements under the Securities and Exchange Act B.E. 1992.

The Company's Board of Directors are responsible for the integrity and objectivity of financial statements of Globlex Holding Management Public Company Limited and subsidiaries in providing reasonable assurance that the financial statement present fairly financial position, results of operation, cash flows, the books and records of the Company accurately reflect against fraud and irregularity transaction. The financial statement have been prepared with the chosen accounting policy deemed appropriate and applied on the consistency basis in accordance with generally accepted accounting principals, and significant information has been adequately disclosed in note to financial statements in which the independent auditor express and opinion on the financial statement of Globlex Holding Management Public Company Limited and subsidiaries in the auditor's report.

Mr.Oran Koohapremkit
Chairman of the Board of Directors

Mr.Tharaphut Kuhapremkit
Director and Managing Director

Report of the Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Globlex Holding Management Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Globlex Holding Management 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 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 Globlex Holding Management Public Company Limited and its subsidiaries and of Globlex Holding Management 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 Ethic for Professional together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p>Revenue and cost recognition - Revenue from sales and cost of sales</p> <p>Revenue is recognized in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is not recognized if the Company retains neither continuing managerial involvement nor effective control over the goods or there is probable that the economic benefits from sales of goods cannot be measured. Key audit matters is whether the revenue from sales and cost of sale 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 expenses by nature and operating segment information were disclosed in Note 3.22, Note 27 and Note 31 to the financial statements respectively.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> • Understand the recognition of revenue from sales and cost of sales 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 from sale and cost of sales process including related information and technology system and • Perform substantive testing as follows: <ul style="list-style-type: none"> - Examine the supporting documents for revenue from sales and cost of sales whether the revenue from sales and cost of sales are occurrence and have been completely and accurately recognized - Performed cut-off procedures of revenue from sales and cost of sales at the year end to ensure that the Company properly recorded revenues from sales and cost of sales in the appropriate period - Perform substantive analytical procedures relating to the revenue from sales and cost of sales.
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, and operating segment information were disclosed in Note 3.22 and Note 31 to the financial statements respectively.</p>	<p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> • Understand the revenue recognition - brokerage fee process and related internal control procedures • Review the design and implementation of the internal control procedures • Perform the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system • Perform substantive testing as follows: <ul style="list-style-type: none"> - Examine the trading volume information of securities and derivative of the customers and brokerage fees rates, recalculate the brokerage fees and examine the related supporting documents of those revenues whether the brokerage fees are occurrence and have been completely and accurately recognized - Perform substantive analytical procedures relating to the brokerage fees.

Other Information

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

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

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

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

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's 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's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion in 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 auditor's 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.

Wonlop Vilaivaravit

Certified Public Accountant (Thailand)

Registration No. 6797

BANGKOK

February 21, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

STATEMENT OF FINANCIAL POSITION

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2017

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December	December	December	December
		31, 2017	31, 2016	31, 2017	31, 2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	262,570,115	417,172,283	87,659,796	217,632,794
Current investments	6	425,060,790	134,311,143	960,026	2,825,527
Trade and other current receivables	7	1,032,713,081	661,068,049	1,012,639,461	654,545,474
Other receivable to subsidiary	4	-	-	2,543,666	-
Receivables from Clearing House and broker-dealers	8	125,452,243	425,149,962	-	-
Securities and derivatives business receivables	9	887,997,228	885,920,279	-	-
Derivatives assets	10	9,359,270	12,167,870	3,000,600	152,500
Inventories		218,871	362,366	218,871	362,366
Accrued dividends income from a subsidiary	4	-	-	-	39,999,995
Other current assets		803,049	1,128,296	24,515	11,684
Total Current Assets		2,744,174,647	2,537,280,248	1,107,046,935	915,530,340
NON-CURRENT ASSETS					
Deposits at financial institutions pledged as collateral	11	75,000,000	100,000,000	75,000,000	100,000,000
Investments held as available-for-sale	12	20,570,274	25,612,899	20,570,274	25,612,899
Investments in subsidiaries	13	-	-	982,727,590	975,991,808
Other long-term investments	14	7,800,000	7,800,000	-	-
Plant, property and equipment	15	29,644,862	33,358,847	9,702,688	11,397,825
Other intangible assets	16	26,424,952	24,628,192	1,696,823	1,090,620
Deferred tax assets	29	1,155,804	922,399	-	-
Other non-current assets		52,772,810	49,283,920	44,800	44,800
Total Non-Current Assets		213,368,702	241,606,257	1,089,742,175	1,114,137,952
TOTAL ASSETS		2,957,543,349	2,778,886,505	2,196,789,110	2,029,668,292

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2017

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December	December	December	December
		31, 2017	31, 2016	31, 2017	31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	17	1,081,975,550	647,534,268	795,310,655	590,546,341
Other payables to subsidiary	4	-	-	623,212	162,330
Payable to Clearing House and broker-dealers		86,521,128	-	-	-
Securities and derivatives business payables	18	382,713,462	678,373,602	-	-
Derivatives liabilities	10	2,828,800	12,363,422	2,606,500	314,750
Income tax payable		123,757	6,069,561	-	-
Other current liabilities		6,813,571	7,626,472	168,472	108,581
Total Current Liabilities		1,560,976,268	1,351,967,325	798,708,839	591,132,002
NON-CURRENT LIABILITIES					
Provisions for employee benefit	19	17,596,662	14,620,861	4,167,989	3,933,796
Total Non-Current Liabilities		17,596,662	14,620,861	4,167,989	3,933,796
TOTAL LIABILITIES		1,578,572,930	1,366,588,186	802,876,828	595,065,798
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital 1,460,000,000 ordinary shares of Baht 1 each		1,460,000,000	1,460,000,000	1,460,000,000	1,460,000,000
Issued and paid-up share capital 1,089,076,392 ordinary shares of Baht 1 each, fully paid		1,089,076,392	1,089,076,392	1,089,076,392	1,089,076,392
Premium on shares		258,702,294	258,702,294	258,702,294	258,702,294
Retained earnings (deficit)					
Appropriated					
Legal reserve	21	31,991,700	31,991,700	31,991,700	31,991,700
Unappropriated		26,767,299	57,844,074	40,456,473	78,895,560
Other components of shareholders' equity		(27,567,266)	(25,316,141)	(26,314,577)	(24,063,452)
Total equity attributable to owners of the parent company		1,378,970,419	1,412,298,319	1,393,912,282	1,434,602,494
Non-controlling interests		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		1,378,970,419	1,412,298,319	1,393,912,282	1,434,602,494
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,957,543,349	2,778,886,505	2,196,789,110	2,029,668,292

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

		Notes	CONSOLIDATED		SEPARATE	
			FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
			2017	2016	2017	2016
REVENUES						
Revenues from sales		52,011,020,587	55,960,646,919	52,011,020,587	55,960,646,919	
Brokerage fees	23	374,966,401	481,938,293	-	-	
Fees and services incomes		62,203,091	21,632,003	-	-	
Interest and dividend income		32,926,713	28,654,134	1,551,959	41,292,735	
Interest on margin loans		28,598,558	36,278,520	-	-	
Gains (losses) and return on financial instruments	24	45,925,938	59,036,897	5,639,946	(661,000)	
Other incomes		1,914,351	5,958,561	1,512,182	2,726,314	
Total Revenues		52,557,555,639	56,594,145,327	52,019,724,674	56,004,004,968	
EXPENSES						
Cost of sales	27	51,966,179,104	55,921,448,244	51,966,179,104	55,921,448,244	
Employees benefit expenses		329,232,528	364,955,289	22,413,807	22,721,394	
Fees and services expenses		82,092,857	100,594,865	6,611,705	2,671,467	
Bad debt and doubtful accounts (reversal)		2,327,675	(4,834,608)	414,620	-	
Loss on impairment of investment (reversal)	-	-		(6,735,782)	(3,493,570)	
Other expenses		149,990,046	138,030,166	35,474,354	18,251,337	
Finance costs		21,583,423	21,969,335	1,133,661	2,844,140	
Total Expenses		52,551,405,633	56,542,163,291	52,025,491,469	55,964,443,012	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Profit before income tax expenses		6,150,006	51,982,036	(5,766,795)	39,561,956
Income tax expenses	29	(4,554,650)	(11,232,012)	-	-
NET PROFIT (LOSS) FOR THE YEAR		1,595,356	40,750,024	(5,766,795)	39,561,956
OTHER COMPREHENSIVE INCOME (EXPENSE)					
Item that will be reclassified subsequently to profit or loss					
Gain (loss) on remeasuring of investments held as available-for-sale		(2,251,125)	5,546,158	(2,251,125)	5,546,158
Income tax relating to item that will be reclassified subsequently		-	-	-	-
		(2,251,125)	5,546,158	(2,251,125)	5,546,158
Other comprehensive income (expense), net of income tax		(2,251,125)	5,546,158	(2,251,125)	5,546,158
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		(655,769)	46,296,182	(8,017,920)	45,108,114
Profit for the period attributable to :					
Owners of the parent		1,595,356	40,750,024	(5,766,795)	39,561,956
Non-controlling interests		-	-	-	-
		1,595,356	40,750,024	(5,766,795)	39,561,956
Total comprehensive income (loss) for the year attributable to :					
Owners of the parent		(655,769)	46,296,182	(8,017,920)	45,108,114
Non-controlling interests		-	-	-	-
		(655,769)	46,296,182	(8,017,920)	45,108,114
BASIC EARNINGS (LOSS) PER SHARE (BAHT)	30	0.001	0.037	(0.005)	0.036
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		1,089,076	1,089,076	1,089,076	1,089,076

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht



CONSOLIDATED FINANCIAL STATEMENTS										
Shareholders' equity of the parent company										
Other components of shareholders' equity										
Other comprehensive										
Retained earnings (deficit)										
income (expense)										
Issued and paid-up Share capital										
Premium on shares										
Appropriated Legal reserve										
Unappropriated										
Change in equity interests										
Gain (loss) on remeasuring of available-for-sale investments										
Total other components of shareholder's equity										
Total equity attributable to owners of the parent company										
Non-controlling interests										
Total shareholders' equity										
Notes										
Balance as at January 1, 2016	21	1,089,076,392	258,702,294	30,006,381	40,860,903	(1,252,689)	(29,609,610)	(30,862,299)	1,387,783,67	- 1,387,783,671
Legal reserve	21	-	-	1,985,319	(1,985,319)	-	-	-	-	-
Dividend paid	22	-	-	-	(21,781,534)	-	-	-	(21,781,534)	- (21,781,534)
Total comprehensive income		-	-	-	40,750,024	-	5,546,158	5,546,158	46,296,182	- 46,296,182
Balance as at December 31, 2016		1,089,076,392	258,702,294	31,991,700	57,844,074	(1,252,689)	(24,063,452)	(25,316,141)	1,412,298,319	- 1,412,298,319
Balance as at January 1, 2017	22	1,089,076,392	258,702,294	31,991,700	57,844,074	(1,252,689)	(24,063,452)	(25,316,141)	1,412,298,319	- 1,412,298,319
Dividend paid	22	-	-	-	(32,672,131)	-	-	-	(32,672,131)	- (32,672,131)
Total comprehensive income		-	-	-	1,595,356	-	(2,251,125)	(2,251,125)	(655,769)	- (655,769)
Balance as at December 31, 2017		1,089,076,392	258,702,294	31,991,700	26,767,299	(1,252,689)	(26,314,577)	(27,567,266)	1,378,970,419	- 1,378,970,419

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

SEPERATE FINANCIAL STATEMENTS								
	Notes	Issued and paid-up share capital	Premium on shares	Ratained earning (deficit)		Other components of shareholder's equity other comprehensive income (expense)		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	Gain (loss) on remeasuring of available-for-sale investments	Total other components of shareholders' equity	
Balance as at January 1, 2016		1,089,076,392	258,702,294	30,006,381	63,100,451	(29,609,610)	(29,609,610)	1,411,275,908
Legal reserve	21	-	-	1,985,319	(1,985,319)	-	-	-
Dividend paid	22	-	-	-	(21,781,528)	-	-	(21,781,528)
Total comprehensive income		-	-	-	39,561,956	5,546,158	5,546,158	45,108,114
Balance as at December 31, 2016		1,089,076,392	258,702,294	31,991,700	78,895,560	(24,063,452)	(24,063,452)	1,434,602,494
Balance as at January 1, 2017		1,089,076,392	258,702,294	31,991,700	78,895,560	(24,063,452)	(24,063,452)	1,434,602,494
Dividend paid	22	-	-	-	(32,672,292)	-	-	(32,672,292)
Total comprehensive income		-	-	-	(5,766,795)	(2,251,125)	(2,251,125)	(8,017,920)
Balance as at December 31, 2017		1,089,076,392	258,702,294	31,991,700	40,456,473	(26,314,577)	(26,314,577)	1,393,912,282

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

STATEMENT OF CASH FLOWS

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax expenses	6,150,006	51,982,036	(5,766,795)	39,561,956
Adjustments for				
Depreciation and amortization expense	12,445,313	17,503,934	2,258,412	3,341,986
Bad debt and doubtful accounts (reversal)	2,297,153	(4,834,608)	414,620	-
Loss on decline in value of inventories	990	-	990	-
Unrealized (gain) loss from fair value of investments	6,025,993	(354,682)	(3,999)	-
Unrealized (gain) loss from fair value of derivatives	(6,726,022)	272,892	(556,350)	162,250
Unrealized loss on exchange rate	16,556,937	4,204,040	15,867,478	3,314,374
(Gain) loss on sale of investments held as available-for-sale	(300,136)	661,000	(300,136)	661,000
Gain on sale of trading investments	(3,698,782)	-	(3,698,782)	-
(Gain) loss on sale of and written-off plant, property and equipment and other intangible assets	(49,597)	55,118	-	-
Reversal of loss on impairment of investment in subsidiaries	-	-	(6,735,782)	(3,493,570)
Employee benefit expenses	2,975,801	3,377,200	234,193	585,577
Interest and dividend income	(61,525,271)	(64,932,654)	(1,551,959)	(41,292,735)
Finance costs	21,583,423	21,969,335	1,133,661	2,844,140
Profit (loss) from operating activities before change in operating assets and liabilities	(4,264,192)	29,903,611	1,295,551	5,684,978
(Increase) decrease in operating assets				
Current investments	(293,076,857)	(81,403,799)	5,568,283	(380,072)
Trade and other current receivables	(387,157,848)	186,292,102	(374,418,993)	186,601,287
Other receivables to a subsidiary	-	-	(2,543,666)	-
Receivables from Clearing House and broker-dealers	299,008,260	(363,033,997)	-	-
Securities and derivatives business receivables	(4,408,654)	(11,742,984)	-	-
Inventories	142,505	(362,366)	142,505	(362,366)
Other current assets	325,247	(1,111,349)	(12,831)	3,426
Other non-current assets	(3,488,890)	(3,078,644)	-	100,000

STATEMENT OF CASH FLOWS (CONTINUED)

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Trade and other current payables	429,689,663	(56,340,745)	205,111,788	(64,750,939)
Other payables to subsidiary	-	-	460,882	(16,927)
Payable to Clearing House and broker-dealers	86,521,128	(33,671,204)	-	-
Securities and derivatives business payables	(295,660,140)	370,172,858	-	-
Other current liabilities	(812,901)	618,914	59,891	(73,251)
Provisions for employee benefit	-	(1,294,850)	-	(945,000)
Cash received (paid) from operations	(173,182,679)	34,947,547	(164,336,590)	125,861,136
Interest received	60,893,507	65,988,212	1,283,213	1,185,817
Interest paid	(16,477,812)	(21,784,531)	(1,127,143)	(2,844,140)
Income tax paid	(10,733,858)	(9,148,215)	-	-
Net cash provided by (used in) operating activities	(139,500,842)	70,003,013	(164,180,520)	124,202,813
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposits at financial institutions pledged as collateral	25,000,000	-	25,000,000	-
Cash paid for purchase of plant, property and equipment	(6,123,719)	(15,113,728)	(361,660)	(6,254,300)
Cash paid for purchase of other intangible assets	(4,418,765)	(2,613,139)	(807,818)	(197,950)
Proceeds from sale of plant, property and equipment	63,993	32,243	-	-
Proceeds from sale of investments held as available-for-sale	3,091,635	889,001	3,091,635	889,001
Dividend received	311,654	119,654	40,311,649	20,119,652
Net cash provided by (used in) investing activities	17,924,798	(16,685,969)	67,233,806	14,556,403
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from short-term borrowings from financial institutions	4,080,000,000	5,513,000,000	730,000,000	2,600,000,000
Cash received from short-term borrowings from subsidiaries	-	-	-	57,000,000
Cash paid for short-term borrowings from financial institutions	(4,080,000,000)	(5,513,000,000)	(730,000,000)	(2,600,000,000)
Cash paid for short-term borrowings from subsidiaries	-	-	-	(57,000,000)
Dividend paid	(33,026,124)	(21,363,818)	(33,026,284)	(21,363,818)
Net cash used in financing activities	(33,026,124)	(21,363,818)	(33,026,284)	(21,363,818)
Net increase (decrease) in cash and cash equivalents	(154,602,168)	31,953,226	(129,972,998)	117,395,398
Cash and cash equivalents as at January 1,	417,172,283	385,219,057	217,632,794	100,237,396
Cash and cash equivalents as at December 31,	262,570,115	417,172,283	87,659,796	217,632,794

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

Notes to Financial Statements

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

Globlex Holding Management Public Company Limited (“the Company”) was a public company limited under Public Company Limited Act, B.E. 2535 and was listed in the Stock Exchange of Thailand.

The Company’s registered office is located at No. 87/2, 12th Floor, CRC Tower, All Seasons Place, Wireless Road, Phatumwan, Bangkok 10330, Thailand.

The Company operates in investing holding and gold trading business and there are three subsidiaries which operate in securities business, investment business and financial advisory business.

The Company and its subsidiaries operate in Thailand.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

2.2 The Group’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2016) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2017 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No.2) B.E. 2559” dated October 11, 2016.

The additional information disclosed in accordance with the Notification of the Office of the Securities and Exchange Commission. 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 financial statement for the year ended December 31, 2016 and the consolidated presented for comparison, have been reclassified accordingly.

The consolidated and separate statements of financial position as at December 31, 2016 have been reclassified to conform to the classification used in the statements of financial position as at December 31, 2017 as follows;

Unit : Thousand Baht

	As at December 31, 2016		Previous Classification	New Classification
	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS		
Fixed deposits	672,826	2,826	Deposits at financial institutions	Current investments
Treasury bills and government bonds	538,396	-	Deposits at financial institutions	Current investments

The consolidated and separate 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;

Unit : Thousand Baht

	As at December 31, 2016		Previous Classification	New Classification
	CONSOLIDATED	SEPARATE		
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS		
Derivative fees	53,403	-	Derivative fees	Brokerage fees financial instruments
Gain from investments	41,466	(661)	Gain from investments	Gains and return on financial instruments
Gain from derivatives	17,571	-	Gain from derivatives	Gains and return on financial instruments
Depreciation and amortization expenses	17,504	3,342	Depreciation and amortization expenses	Other expenses
Building, land and equipment expenses	70,839	3,641	Building, land and equipment expenses	Other expenses
Taxes and duties	2,187	2	Taxes and duties	Other expenses
Directors' remuneration	2,175	1,305	Directors' remuneration	Employees benefit expenses
Management benefit expenses	37,365	11,444	Management benefit expenses	Employees benefit expenses

Moreover, the brief particulars in the financial statements for the years ended December 31, 2017 and 2016 have been changed to comply with the Notification of the Department of Business Development dated October 11, 2016. Significant changes in the brief particulars are as follows:

Financial Statements	Previous name of brief particular	Current name of brief particular
Statements of financial position	Employee benefit obligations	Provisions for employee benefit

- 2.3 The consolidated financial statements as at December 31, 2017 and 2016, include the accounts of the Company and its subsidiaries, which the Company has controlling power or directly and indirectly holding on these subsidiaries as follow;

The Company's name	Type of business Thousand	Paid-up share capital		Percentage of direct and indirect holding	
		Thousand		(%)	
		Baht 2017	Baht 2016	2017	2016
Globlex Securities Company Limited	Securities business	500,000	500,000	99.99	99.99
Capital One Partners Company Limited (Former name: Globlex Connect Company Limited)	Financial advisory business	30,000	30,000	99.99	99.99
Asia Equity Venture Company Limited	Investments business	20,000	20,000	99.99	99.99

All significant intercompany transactions between the Company and its subsidiaries have been eliminated in the consolidated financial statements.

- 2.4 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

2.5 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, 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.

2.6 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 has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank accounts, promissory notes, treasury bills, and government bonds maturing within 3 months or less from the date of acquisition and without commitments.

3.2 Securities purchased under resale agreements

Securities purchased under resale agreements are securities under resale agreements at certain dates in the future at a fixed selling price. Securities purchased under resale agreements presented as assets in the statement of financial position are stated at amounts paid for the purchase of those securities. The difference between the purchase and sale considerations is recognized on an accrual basis over the period of the transaction and is included in interest income.

3.3 Recognition and elimination of customers' deposits

Deposits, which customers have placed with the subsidiary for securities trading in term of cash accounts and credit balance accounts and amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the subsidiary for internal control purposes. As at the end of the reporting period, the subsidiary excludes these amounts from both assets and liabilities and presents only assets which belong to the subsidiary

3.4 Borrowing and lending of securities

The subsidiary is engaged in securities borrowing and lending, whereby the subsidiary acts as a principal or an agent of the borrowers and lenders of securities.

The subsidiary records its obligations to return borrowed securities which it has been sold as short selling or lent as “Securities borrowing and lending payables” in the statements of financial position. At the end of the reporting period, the balance of stock borrowing and lending payables are adjusted by the last offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gains or losses arising from such adjustment are recognized in the statement of profit or loss and other comprehensive income. Securities lent to customers are recorded as “Securities borrowing and lending receivables” in the statements of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as “Collateral receivables” or “Collateral payables”. Fees on securities borrowing and lending are recognized on an accrual basis.

3.5 Investments in debt securities and equity securities

Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amount of securities are included in the statement of profit or loss and other comprehensive income.

The Company states available-for-sale investments at fair value in the statements of financial position. Unrealized gain or loss resulting from changes in fair value of available-for-sale investments are reported as a component of shareholders’ equity through other comprehensive income until realized, after which gain or loss on disposal of the investments will be recognized as gain (loss) on investments.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized by the effective rate method with the amortized amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities, which classify as general investments, are valued at cost net of allowance for impairment (if any).

The fair value of marketable securities is based on the last bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is based on the price quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value as at the last working day of the year.

Losses on impairment of investments (if any) are included in the statement of profit or loss and other comprehensive income.

The weighted average method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized in the statement of profit or loss and other comprehensive income.

3.6 Receivables from Clearing House and broker - dealers

Receivables from Clearing House and broker - dealers comprises the net receivable from Thailand Clearing House (“TCH”) for settlement of equity securities trading made through the Stock Exchange of Thailand, net receivable from TCH for derivatives trading, including cash collateral pledged with TCH for derivatives trade, and net receivables from foreign securities trade settlement through foreign brokers.

3.7 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net balance receivable of securities and derivatives trading after less allowance for doubtful accounts and add accrued interest. Securities and derivatives business receivables which are receivable balance of cash accounts, credit balance accounts, and other receivables such as overdue cash customer accounts and securities and derivatives receivables which are debt under litigation, debt compromise, or settling in installments.

The subsidiary has provided an allowance for doubtful debts based on a review of debtor’s repayment capability, taking into consideration in recovery risk and value of collateral. An allowance will be set aside for doubtful debts that are not fully covered by collateral and/or debtors that cannot be recovered in full amount. Such debt classifications and provisions are in accordance with the following criteria:

- a) Asset classified as bad debt is defined as the following criteria:
 - (1) Debt which the subsidiary has already pursuing collection effort, but could not collect. The subsidiary has already written off in accordance with tax law.
 - (2) Debt which the subsidiary has forgiven.
- b) Doubtful debt is defined as the uncollateralized portion of the value of a debt which meets the following criteria:
 - (1) General loans, problem financial institution loans, and other loans which the collateral value is less than the loan balance.
 - (2) Principal or interest is overdue by more than 3 months for installment loans with repayments scheduled at least 3 months for each installment.
 - (3) Installment loans with repayments scheduled more than 3 months for each installment, unless there is clear evidence and a high degree of certainty that full repayment will be received.

- c) Sub-standard debt is defined as the collateralized portion of loans which meet the criteria in b).

Loans classified as bad debt will be written off when identified. Provision will be set aside for loans classified as doubtful at 100% of the loan balance. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission.

3.8 Inventories

Inventories - Gold bars are valued at the lower of cost on a first-in first-out (FIFO) basis or net realizable value. The net realizable value is based on market price as at the end of accounting period.

Inventories - Other are valued at the lower of cost on a first-in first-out (FIFO) basis or net realizable value.

3.9 Investments in subsidiaries

Investments in subsidiaries presented in the separate financial statement are presented at cost less allowance for impairment loss (if any). For investments in subsidiaries, which are wholly owned by the Company and have deficits on equities, such deficits are presented as a part of other current liabilities in the separate statements of financial position.

3.10 Plant, property and equipment and depreciation

Plant, property and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant, property and equipment are calculated by reference to their costs on the straight-line method over the following estimated useful lives:

Leasehold improvements	5 ปี
Furniture	5 ปี
Office equipment	5 ปี
Vehicles	5 ปี

Depreciation is included in determining income.

The residual value of an item of plant, property and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each accounting period.

An item of plant, property and equipment is derecognized 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 the statement of profit or loss and other comprehensive income when the asset is derecognized.

3.11 Other intangible assets and amortization

Intangible assets are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any).

The Company and its subsidiaries have amortized intangible assets with a finite useful life on a systematic basis over their useful lives and the impairment of assets will be assessed whenever there is indication that such assets were impaired.

The intangible assets with a finite useful life have their estimated useful life of 5 years.

The Company and its subsidiaries will review the amortization period and amortization method of intangible assets at least at each accounting period. Amortization charges are recognized as expenses in the statement of profit or loss and other comprehensive income.

Intangibles assets occurred from Thailand Future Exchange and Thailand Clearing House membership have an indefinite useful life when there is no foreseeable limit to the period over which the assets is expected to generate net cash inflows for the entity. Therefore, the subsidiary has not amortized such intangible assets but those assets are tested for impairment annually or whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

3.12 Assets under finance lease agreements

The subsidiary records vehicles and equipments under finance leases agreements as assets and liabilities in an amount equal to the fair value of the leased assets. The present value of the minimum payments under the agreement is calculated using the interest rates stipulated in the agreement. Interest expenses are recorded to each period over the term of the agreements based on the outstanding balance of the liabilities under finance lease agreements during each period.

3.13 Impairment of Assets

The carrying amounts of the Company and its subsidiaries' assets are reviewed at each of the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash inflows 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.14 Payable to Clearing House and broker - dealers

Payable to Clearing House and broker - dealers comprises the net payable to Thailand Clearing House ("TCH") for settlement of equity securities trading made through the Stock Exchange of Thailand, net payable to TCH which is margin required by TCH for derivatives business, and net payable to foreign securities trade settlement through foreign brokers.

3.15 Securities and derivatives business payables

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

3.16 Provision for liabilities

Provisions are recognized 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.

3.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by the employees and the Company and its subsidiaries. The contributions are held in a separate trust fund and the Company and its subsidiaries' contributions are recognized as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans is determined by an actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in other comprehensive income.

3.18 Provident fund

The Company and its subsidiaries and their employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company at the rate of 3 to 7 percent of the employee's basic salary based on their year of service. The fund will be paid to the employees upon termination in accordance with the rules of the Fund. The fund is a part of The Registered Provident Fund of 1AM Master Fund which is registered and managed by One Asset Management Company Limited.

3.19 Foreign currencies

Transactions in foreign currencies are converted into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted into Baht at the exchange rate ruling at the end of reporting date.

Gains and losses on exchange rate are included in determining income.

3.20 Financial instruments

Financial instruments carried in the statement of financial position include cash and cash equivalents, current investments, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, derivatives assets, investments held as available-for-sale, other long-term investments, payable to Clearing House and broker - dealers, securities and derivatives payables, and derivatives liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Derivative financial instruments

The Company entered into the Forward Foreign Exchange Contracts in asset and liability management activities to hedge exposure in the fluctuation in foreign exchange rates for the Company's operation.

The Company has no policy to speculate or engage in the trading of any derivative financial instruments.

3.21 Derivatives

Futures contracts

The subsidiary initially recognizes future contracts at fair value. Obligations under derivatives business are recorded as derivatives assets and liabilities. Subsequently, as at the date of the statement of financial position, the futures contracts are presented at their fair value. The fair value of marketable future contracts being calculated with reference to the last bid/offer prices quoted on the Thailand Futures Exchange on the last working day of the year. Unrealized gains or losses resulting from changes in the fair value of futures contracts are included in the statements of comprehensive income.

3.22 Revenue recognition

Sales of goods

Revenue is recognized in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is not recognized if the Company retains neither continuing managerial involvement nor effective control over the goods or there is probable that the economic benefits from sales of goods or rendering services cannot be measured.

Brokerage fees

Brokerage fees from securities and derivatives business are recognized as income on the transaction date.

Fees and services income

Fees are recognized on an accrual basis and service income is recognized when services have been rendered taken into account to the stage of completion.

Interest and dividends on investments

Interest on investments is recognized as income on an accrual basis. Dividend from investments is recognized as income when the dividend is declared.

Interest on margin loans

Interest is recognized as income over the term of the loans based on the amount of principal outstanding. No accrual has been made for certain loans which, under Notification No. Kor. Thor. 33/2543 dated August 25, 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated February 15, 2001 of the Office of the Securities and Exchange Commission, are not qualified for recognition of interest on an accrual basis and consideration of other relevant factors.

Gain (loss) on investments and derivatives

Gain (loss) on investments and derivatives are recognized as income or expense on the transaction date.

Other income

Other income is recognized on an accrual basis.

3.23 Expense recognition

Interest on borrowings

Interest on borrowings is charged to expenses on an accrual basis.

Fees and service expenses

Fees and service expenses are charged to expenses on an accrual basis.

3.24 Tax expense

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Company and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.25 Earnings (loss) per share

Earnings (loss) per share as presented in the statement of profit or loss and other comprehensive income is determined by dividing net profit for the year by the weighted average number of ordinary shares outstanding during the year.

3.26 Fair value measurements

Fair value is the price that would be received from selling 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.

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.

3.27 Use of management's critical judgements and key sources of estimation uncertainty

3.27.1 Use of management's critical judgements in applying accounting policies

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

3.27.2 Key sources of estimation uncertainty

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Company and its subsidiaries' management has to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Company and its subsidiaries uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The Company's management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model and reports the valuation committee's findings to the board of directors of the Company every quarter to explain cause of fluctuations in the fair value of the assets and liabilities.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 32.2.5.

4. RELATED PARTIES TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related parties. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

The relationships with related parties are as follows:

The Company's name	Type of business	Type of relationship
Globlex Securities Company Limited	Securities business	Subsidiary
Capital One Partners Company Limited (Former name: Globlex Connect Company Limited)	Financial advisory business	Subsidiary
Asia Equity Venture Company Limited	Investments business	Subsidiary
Related person	-	Related person with of Director and Management

Pricing policies for each transaction are described as follows:

Type of transactions	Pricing policies
Brokerage fee income from sale/purchase order of securities	At the rate of the subsidiary charge with other customers
Brokerage fee expenses from sale/purchase order of securities	At the rate of the subsidiary charge with other customers
Brokerage fee expenses from sale/purchase order of derivatives	At the rate of the subsidiary charge with other customers
Securities borrowing and lending fee	At the rate of the subsidiary charge with other customers
Interest income from short-term loans	2.50% p.a. for 2016
Interest income from deposits of derivatives	At announcement rate
Rental expense	Contract price
Finance costs	2.50% p.a. for 2016

Significant revenues and expenses derived from transactions with related parties for the years ended December 31, 2017 and 2016 are summarized as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Brokerage fee income from sale/purchase order of securities				
Related person	576	466	73	1
Brokerage fee expenses from sale/purchase order of securities				
Globlex Securities Company Limited	-	-	596	1
Brokerage fee expenses from sale/purchase order of derivatives				
Globlex Securities Company Limited	-	-	3,340	-
Securities borrowing and lending fee				
Globlex Securities Company Limited	-	-	372	-
Interest income from short-term loans				
Globlex Securities Company Limited	-	-	-	21
Interest income from deposits of derivatives				
Globlex Securities Company Limited	-	-	26	2
Dividend income				
Globlex Securities Company Limited	-	-	-	40,000
Rental expense				
Globlex Securities Company Limited	-	-	1,180	977
Finance costs				
Asia Equity Venture Company Limited	-	-	-	179
Globlex Securities Company Limited	-	-	-	24
Total	-	-	-	203

Significant outstanding balance with its related companies as at December 31, 2017 and 2016 are summarized as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Other receivables				
Globlex Securities Company Limited	-	-	2,544	-
Accrued dividends income				
Globlex Securities Company Limited	-	-	-	40,000
Other payables				
Globlex Securities Company Limited	-	-	623	162

SIGNIFICANT AGREEMENT WITH RELATED COMPANY

On October 19, 2017, the Company entered into the Lease Area Agreement with a related company. The agreement was in effect for 2 years 11 months from November 1, 2017 to September 30, 2020 and can be renewed for 3 years at each time by giving written notice to tenants 2 months prior to expiry of term.

5. CASH AND CASH EQUIVALENTS

5.1 Cash and cash equivalents as at December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cash	125	135	10	10
Current deposits	124,933	164,772	4,544	9,407
Saving deposits	99,656	284,697	82,557	206,832
Fixed deposits with maturity within 3 months	549	21,384	549	1,384
Treasury bills and government bonds with maturity within 3 months	816,443	439,292	-	-
Total	1,041,706	910,280	87,660	217,633
<u>Less</u> Deposits in the name of subsidiary for the customers' accounts	(779,136)	(493,108)	-	-
Total cash and cash equivalents	262,570	417,172	87,660	217,633

5.2 Non-cash items from purchasing and increasing of plant, property and equipment and intangible assets for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Payable for plant, property and equipment and intangible asset brought forward	-	107	-	-
<u>Add</u> Purchase during the year	6,874	17,620	1,169	6,452
<u>Less</u> Cash payment during the year	(6,874)	(17,727)	(1,169)	(6,452)
Payable for plant, property and equipment and intangible assets carried forward	-	-	-	-

6. CURRENT INVESTMENTS

Current investments as at December 31, 2017 and 2016 are as follows:

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS				
2017		2016		
Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value	
Trading investments				
Listed securities	149,964	143,397	131,500	131,298
Warrants	9,727	8,580	-	-
Unit trust - open-end fund	2,000	2,414	-	188
Debt securities	268,943	270,204	-	-
<u>Less</u> Valuation adjustment	(6,039)	-	(14)	-
Total trading investments	424,595	424,595	131,486	131,486
Held-to-maturity investments				
Fixed deposits	730,466	730,466	672,826	672,826
Treasury bills and government bonds	647,592	647,592	538,396	538,396
<u>Less</u> Deposits in the name of subsidiary for customers' accounts	(1,377,592)	(1,377,592)	(1,208,396)	(1,208,396)
Total held-to-maturity investments	466	466	2,826	2,826
Total current investments	425,061		134,312	

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS				
2017		2016		
Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value	
Trading investments				
Listed securities	490	494	-	-
<u>Add</u> Valuation adjustment	4	-	-	-
Total Trading investments	494	494	-	-
Held-to-maturity investments				
Fixed deposits	466	466	2,826	2,826
Total held-to-maturity investments	466	466	2,826	2,826
Total current investments	960		2,826	

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2017 and 2016 are as follows:

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Trade receivables	318,474	167,707	318,474	167,707
Guarantee for goods	626,566	485,246	626,566	485,246
Other receivables	87,673	8,115	67,599	1,592
Total	1,032,713	661,068	1,012,639	654,545

As at December 31, 2017 and 2016, the Company has the guarantee for overseas goods in the amount of USD 19.18 million and USD 12.99 million, respectively.

The balances of trade receivables classified by aging are as follows:

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Trade receivables				
Not yet due	318,474	167,707	318,474	167,707
Past due exceed 3 months	415	-	415	-
Total	318,889	167,707	318,889	167,707
<u>Less</u> Allowance for doubtful accounts	(415)	-	(415)	-
Total trade receivables	318,474	167,707	318,474	167,707

8. RECEIVABLES FROM CLEARING HOUSE AND BROKER-DEALERS

Receivables from Clearing House and broker-dealers as at December 31, 2017 and 2016 are as follows:

Unit : Thousand Baht

	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2017	2016
Receivables from Clearing House - securities	102,315	407,116
Receivables from Clearing House - derivatives	57,783	45,945
Receivables from foreign securities brokers	10,490	5,775
Total Receivables from Clearing House	170,588	458,836
<u>Less</u> Receivables from Clearing House in the name of subsidiary for customers' account	(45,136)	(33,686)
Total	125,452	425,150
<u>Less</u> Allowance for doubtful accounts	-	-
Receivables from Clearing House and broker - dealers	125,452	425,150

9. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

Securities and derivatives business receivables as at December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2017	2016
<u>Securities business receivables</u>		
Cash accounts	418,217	412,502
Credit balance accounts	426,531	410,856
Securities receivables under litigation	66,928	65,046
Guarantee assets receivables	41,084	59,885
Total securities business receivables	952,760	948,289
Add Interest receivables	2,053	2,502
Total securities business receivables and interest receivables	954,813	950,791
Less Allowance for doubtful accounts	(66,928)	(65,046)
Securities business receivables	887,885	885,745
<u>Derivatives business receivables</u>		
Derivatives business receivables	112	175
Securities and derivatives business receivables	887,997	885,920

As at December 31, 2017 and 2016, a subsidiary has classified its securities and derivatives business receivables and related interest receivables in accordance with the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. Kor. Thor. 33/2543 and Kor. Thor. 5/2544 dated August 25, 2000 and February 15, 2001, respectively, governing accounting for the doubtful debts of securities companies as follows;

	Unit : Million Baht					
	2017			2016		
	Securities and derivatives business receivables and interest receivables	Allowance for doubtful accounts set up by a subsidiary	Net securities and derivatives business receivables after allowance for doubtful accounts	Securities and derivatives business receivables and interest receivables	Allowance for doubtful accounts set up by a subsidiary	Net securities and derivatives business receivables after allowance for doubtful accounts
Normal debts	888.00	-	888.00	885.77	-	885.77
Substandard debts	-	-	-	0.15	-	0.15
Doubtful	66.93	(66.93)	-	65.04	(65.04)	-
Total	954.93	(66.93)	888.00	950.96	(65.04)	885.92

As at December 31, 2017 and 2016, the subsidiary had securities business receivable which recognized income on an accrual basis has been suspended in amounting to Baht 66.93 million and Baht 65.04 million, respectively. The subsidiary has provided the allowance for doubtful account in full amount and these receivables are in litigation process.

As at December 31, 2016, the substandard debts is securities business receivables which was past due within 3 days. The subsidiary received repayment of the whole amount of such receivables after the date of the statement of financial position.

Allowance for doubtful accounts as at December 31, 2017 and 2016 are as follows:

		Unit : Thousand Baht	
		CONSOLIDATED FINANCIAL STATEMENTS	
		2017	2016
Balance at beginning of the year		65,046	65,046
Add Doubtful accounts		1,882	-
Balance at the end of the year		66,928	65,046

10. DERIVATIVES ASSETS AND LIABILITIES

Derivatives assets and liabilities as at December 31, 2017 and 2016 are as follows:

		Unit: Thousand Baht			
		CONSOLIDATED FINANCIAL STATEMENTS 2017			
Type of derivatives		Assets		Liabilities	
		Fair value	Notional amount	Fair value	Notional amount
Futures		8,991	169,928	2,781	2,097,217
Forward contracts		368	192,688	48	29,393
Total		9,359	362,616	2,829	2,126,610

		Unit: Thousand Baht			
		CONSOLIDATED FINANCIAL STATEMENTS 2016			
Type of derivatives		Assets		Liabilities	
		Fair value	Notional amount	Fair value	Notional amount
Futures		12,015	180,719	12,048	212,185
Forward contracts		153	105,669	315	35,820
Total		12,168	286,388	12,363	248,005

		Unit: Thousand Baht			
		SEPERATE FINANCIAL STATEMENTS 2017			
Type of derivatives		Assets		Liabilities	
		Fair value	Notional amount	Fair value	Notional amount
Futures		2,633	61,598	2,559	2,073,811
Forward contracts		368	192,688	48	29,393
Total		3,001	254,286	2,607	2,103,204

Unit: Thousand Baht

Type of derivatives	SEPERATE FINANCIAL STATEMENTS 2016			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Forward contracts	153	105,669	315	35,820
Total	153	105,669	315	35,820

11. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERAL

Deposits at financial institutions pledged as collateral as at December 31, 2017 and 2016 are as follows;

Unit: Thousand Baht

	CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS	
	2017	2016
As guarantee against short-term borrowing credit line	50,000	50,000
As guarantee against standby letter of credit limit	25,000	50,000
Total	75,000	100,000

12. INVESTMENTS HELD AS AVAILABLE-FOR-SALES

Investments held as available-for-sales as at December 31, 2017 and 2016 are as follows;

Unit: Thousand Baht

	CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS			
	2017		2016	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Investments held as available-for-sales				
Listed securities	41,885	14,853	44,676	19,951
Unit trust - open-end fund	5,000	5,717	5,000	5,662
Less Valuation adjustment	(26,315)	-	(24,063)	-
Total	20,570	20,570	25,613	25,613

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2017 and 2016 are as follows:

Unit : Thousand Baht

	SEPERATE FINANCIAL STATEMENTS					
	Percentage of direct and indirect holding (%)		Dividends for the years ended		Cost method	
	2017	2016	2017	2016	2017	2016
SUBSIDIARIES						
- Globlex Securities Co., Ltd.	99.99	99.99	-	40,000	965,000	965,000
- Capital One Partners Co., Ltd. (former name: Globlex Connect Co., Ltd.)	99.99	99.99	-	-	13,987	13,987
- Asia Equity Venture Co., Ltd.	99.99	99.99	-	-	20,000	20,000
Total			-	40,000	998,987	998,987
<u>Less</u> Provision for impairment loss on investments					(16,259)	(22,995)
Investments in subsidiaries					982,728	975,992

14. OTHER LONG-TERM INVESTMENT

Other long-term investment as at December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Percentage of holding		Paid-up capital		Cost method	
	2017	2016	2017	2016	2017	2016
TSFC Securities Public Company Limited	0.50	0.50	1,549,126	1,549,126	7,800	7,800

15. PLANT, PROPERTY AND EQUIPMENT

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at	Additions	Disposals	Transfer in/	Balance as at
	January 1, 2017			(Transfer out)	December 31, 2017
Cost					
Leasehold improvements	61,564	40	(7,203)	-	54,401
Furniture	11,822	24	(556)	-	11,290
Office equipment	142,617	4,408	(2,569)	12	144,468
Vehicles	27,151	1,639	-	-	28,790
Total cost	243,154	6,111	(10,328)	12	238,949
Accumulated depreciation					
Leasehold improvements	(55,233)	(2,363)	7,201	-	(50,395)
Furniture	(11,423)	(253)	554	-	(11,122)
Office equipment	(130,551)	(4,570)	2,559	-	(132,562)
Vehicles	(12,588)	(2,637)	-	-	(15,225)
Total accumulated depreciation	(209,795)	(9,823)	10,314	-	(209,304)
Leasehold improvements under installation	-	12	-	(12)	-
Plant, property and equipment	33,359				29,645

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at	Additions	Disposals	Transfer in/	Balance as at
	January 1, 2016			(Transfer out)	December 31, 2016
Cost					
Leasehold improvements	76,911	1,501	(17,781)	933	61,564
Furniture	11,798	24	-	-	11,822
Office equipment	138,114	3,027	(2,190)	3,666	142,617
Vehicles	20,302	6,849	-	-	27,151
Total cost	247,125	11,401	(19,971)	4,599	243,154
Accumulated depreciation					
Leasehold improvements	(68,846)	(4,167)	17,780	-	(55,233)
Furniture	(10,940)	(483)	-	-	(11,423)
Office equipment	(126,415)	(6,239)	2,103	-	(130,551)
Vehicles	(9,222)	(3,366)	-	-	(12,588)
Total accumulated depreciation	(215,423)	(14,255)	19,883	-	(209,795)
Leasehold improvements under installation	993	3,606	-	(4,599)	-
Plant, property and equipment	32,695				33,359
Depreciation for the years ended December 31,					
2017				Baht	9,823
2016				Baht	14,255

Unit : Thousand Baht

SEPERATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2017
Cost					
Leasehold improvements	867	-	-	-	867
Furniture	324	-	-	-	324
Office equipment	1,491	362	-	-	1,853
Vehicles	21,842	-	-	-	21,842
Total cost	24,524	362	-	-	24,886
Accumulated depreciation					
Leasehold improvements	(616)	(80)	-	-	(696)
Furniture	(301)	(11)	-	-	(312)
Office equipment	(1,230)	(138)	-	-	(1,368)
Vehicles	(10,979)	(1,828)	-	-	(12,807)
Total accumulated depreciation	(13,126)	(2,057)	-	-	(15,183)
Leasehold improvements under installation	-	-	-	-	-
Plant, property and equipment	11,398				9,703

Unit : Thousand Baht

SEPERATE FINANCIAL STATEMENTS					
	Balance as at January 1, 2016	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2016
Cost					
Leasehold improvements	707	160	-	-	867
Furniture	324	-	-	-	324
Office equipment	1,437	54	-	-	1,491
Vehicles	15,802	6,040	-	-	21,842
Total cost	18,270	6,254	-	-	24,524
Accumulated depreciation					
Leasehold improvements	(444)	(172)	-	-	(616)
Furniture	(273)	(28)	-	-	(301)
Office equipment	(1,085)	(145)	-	-	(1,230)
Vehicles	(8,156)	(2,823)	-	-	(10,979)
Total accumulated depreciation	(9,958)	(3,168)	-	-	(13,126)
Leasehold improvements under installation	-	-	-	-	-
Plant, property and equipment	8,312				11,398
Depreciation for the years ended December 31,					
2017				Baht	2,057
2016				Baht	3,168

As at December 31, 2017 and 2016, certain plant, property and equipment of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets before deducting accumulated depreciation was approximately Baht 181 million and Baht 183 million, respectively.

16. OTHER INTANGIBLE ASSETS

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Useful life	Balance as at January 1, 2017	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2017	
Cost						
TFEX membership fee	Undefined	12,671	-	-	-	12,671
TCH membership fee	Undefined	3,175	-	-	-	3,175
Private fund license fee	5 Years	527	-	-	-	527
Computer software	5 Years	36,193	2,815	-	1,087	40,095
Total cost		52,566	2,815	-	1,087	56,468
Accumulated amortization						
Private fund license fee		(527)	-	-	-	(527)
Computer software		(29,246)	(2,622)	-	-	(31,868)
Total amortization		(29,773)	(2,622)	-	-	(32,395)
Computer software under installation		1,835	1,991	(387)	(1,087)	2,352
Other intangible assets		24,628				26,425

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Useful life	Balance as at January 1, 2016	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2016	
Cost						
TFEX membership fee	Undefined	12,671	-	-	-	12,671
TCH membership fee	Undefined	3,175	-	-	-	3,175
Private fund license fee	5 Years	527	-	-	-	527
Computer software	5 Years	32,703	1,504	-	1,986	36,193
Total cost		49,076	1,504	-	1,986	52,566
Accumulated amortization						
Private fund license fee		(527)	-	-	-	(527)
Computer software		(25,996)	(3,250)	-	-	(29,246)
Total amortization		(26,523)	(3,250)	-	-	(29,773)
Computer software under installation		2,712	1,109	-	(1,986)	1,835
Other intangible assets		25,265				24,628
Amortization for the years ended December 31,						
2017					Baht	2,622
2016					Baht	3,250

Unit : Thousand Baht

SEPERATE FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2017	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2017
Cost						
Computer software	5 Years	2,140	322	-	-	2,462
Total cost		2,140	322	-	-	2,462
Accumulated amortization						
Computer software		(1,049)	(202)	-	-	(1,251)
Total amortization		(1,049)	(202)	-	-	(1,251)
Computer software under installation		-	486	-	-	486
Other intangible assets		1,091				1,697

Unit : Thousand Baht

SEPERATE FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2016	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2016
Cost						
Computer software	5 Years	1,638	-	-	502	2,140
Total cost		1,638	-	-	502	2,140
Accumulated amortization						
Computer software		(876)	(173)	-	-	(1,049)
Total amortization		(876)	(173)	-	-	(1,049)
Computer software under installation		304	198	-	(502)	-
Other intangible assets		1,066				1,091
Amortization for the years ended December 31,						
2017					Baht	202
2016					Baht	173

TFEX and TCH membership fee in its subsidiary have an indefinite useful life when there is no foreseeable limit to the period over which the assets is expected to generate net cash inflows for the entity.

As at December 31, 2017 and 2016, certain computer software of the Company and its subsidiary have been fully depreciated but are still in use. The original cost at those assets before deducting accumulated depreciation was approximately Baht 27 million and Baht 18 million, respectively.

17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Trade payables	765,579	545,204	765,579	545,204
Guarantee payables	17,278	40,704	17,278	40,704
Other payables	299,119	61,626	12,453	4,638
Total	1,081,976	647,534	795,310	590,546

18. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
<u>Securities business payables</u>		
Cash accounts	377,726	678,217
Securities borrowing and lending payables	3,794	-
Total securities business payables	381,520	678,217
<u>Derivatives business payables</u>		
Derivatives business payables	1,193	157
Total derivatives business payables	1,193	157
Securities and derivatives business payables	382,713	678,374

19. PROVISIONS FOR EMPLOYEE BENEFIT

The Company and its subsidiaries paid retirement benefits in accordance with the regulation of Labor Protection Act B.E. 2541 for the retirement benefit entitled to the employees based on their rights and length of services.

Employee benefit obligations as at December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Post-employment benefit obligations	17,597	14,621	4,168	3,934
Total	17,597	14,621	4,168	3,934

Movement in the present value of the post-employment benefit obligations for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Beginning balance of post-employment benefit obligations	14,621	12,625	3,934	4,380
Current service cost	2,673	3,045	135	475
Interest cost	303	332	99	110
Benefits paid	-	(1,381)	-	(1,031)
Ending balance of post-employment benefit obligations	17,597	14,621	4,168	3,934

Expenses recognized in statement of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current service cost	2,673	3,045	135	475
Interest cost	303	332	99	110
Components of employee benefit costs recognized in profit or loss	2,976	3,377	234	585

The principal actuarial assumptions at the reporting date as at December 31, 2017 and 2016 are as follows;

	CONSOLIDATED	CONSOLIDATED
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2017	2016
	Percentage (p.a.)	Percentage (p.a.)
Discount rate	2.70	2.51 - 2.70
Salary increase rate	6.59	4.47 - 6.59
Employee turnover	0 - 25	0 - 25
	(depend on age of employee)	(depend on age of employee)
Mortality rate	TMO2008	TMO2008
	(Thai Mortality Ordinary Table 2008)	(Thai Mortality Ordinary Table 2008)

	SEPARATE FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	2017	2016
	Percentage (p.a.)	Percentage (p.a.)
Discount rate	2.70	2.51
Salary increase rate	6.59	4.47
Employee turnover	0 - 24 (depend on age of employee)	0 - 24 (depend on age of employee)
Mortality rate	TMO2008 (Thai Mortality Ordinary Table 2008)	TMO2008 (Thai Mortality Ordinary Table 2008)

Significant actuarial assumptions for the determination of the employee benefit obligations are discount rate, expected salary increase rate, employee turnover, and mortality rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	Impact on the employee benefit obligations Increases (decreases)	Impact on the employee benefit obligations Increases (decreases)
	2017	2016
Discount rate - increase by 1%	(918)	(724)
Discount rate - decrease by 1%	1,046	829
Salary increase rate - increase by 1%	1,384	984
Salary increase rate - decrease by 1%	(1,314)	(873)
Life expectancy - increase by 1 year	95	75
Life expectancy - decrease by 1 year	(94)	(74)

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS	
	Impact on the employee benefit obligations Increases (decreases)	Impact on the employee benefit obligations Increases (decreases)
	2017	2016
Discount rate - increase by 1%	(44)	(36)
Discount rate - decrease by 1%	51	42
Salary increase rate - increase by 1%	149	101
Salary increase rate - decrease by 1%	(138)	(95)
Life expectancy - increase by 1 year	5	4
Life expectancy - decrease by 1 year	(5)	(4)

The sensitivity analysis presented above may not be representative of the actual change in the employee benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the employee benefit obligations have been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

20. CAPITAL MANAGEMENT

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

21. LEGAL RESERVE

21.1 Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5% of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital and the reserve is not available for distribution as dividends.

21.2 According to the Civil and Commercial Code, subsidiary companies must appropriate to a reserve fund at each distribution of dividend at least one-twentieth of the profit arising from the business of that companies until the reserve fund reaches one-tenth part of capital of subsidiary companies. Such reserve is not available for distribution as dividends.

22. DIVIDEND PAID

On December 14, 2016, the Board of Directors' Meeting of the subsidiary passed the resolution to approve the interim dividend payment at the rate of Baht 0.80 per share, totaling Baht 40 million and set aside a legal reserve Baht 2.23 million. The payment of such dividend was made to shareholders on January 9, 2017. Subsequently, on March 10, 2017, the ordinary shareholders' meeting passed the resolution to pay the interim dividend payment and appropriated its earnings as the legal reserve.

23. BROKERAGE FEES INCOME

Brokerage fees income of its subsidiary for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht		
CONSOLIDATED FINANCIAL STATEMENTS		
	2017	2016
Brokerage fees from securities business	337,053	428,535
Derivatives fees from derivatives business	37,913	53,403
Total	374,966	481,938

24. GAINS (LOSSES) AND RETURN ON FINANCIAL INSTRUMENTS

Gains (losses) and return on financial instruments of the company and its subsidiaries for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Gain (loss) on securities	3,470	41,466	3,403	(661)
Gain on derivatives	42,456	17,571	2,237	-
Total	45,926	59,037	5,640	(661)

25. KEY MANAGEMENT BENEFIT EXPENSES

Compensation or remuneration payable to key managements of the Company and its subsidiaries for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Short-term employee benefits	31,186	36,386	8,792	11,155
Post-employment benefits	701	979	212	289
Total	31,887	37,365	9,004	11,444

26. DIRECTORS' REMUNERATION

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

27. EXPENSES BY NATURE

The Company's statements of comprehensive income presented expenses by nature except cost of sales, presented by function. Cost of sales can be classified by nature are as follows;

Unit : Thousand Baht

	CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS	
	2017	2016
Changes in inventories	219	362
Purchase of goods	51,966,027	55,921,086
Total	51,966,246	55,921,448

28. PROVIDEND FUND

The Company and its subsidiaries and their employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company at the rate of 3% to 7% of the employee's basic salary based on their year of service. The fund will be paid to the employees upon termination in accordance with the rules of the Fund. The fund is a part of The Registered Provident Fund of 1AM Master Fund which is registered and managed by One Asset Management Company Limited. During the years ended December 31, 2017 and 2016, the Company and its subsidiaries contributed to the fund Baht 7.50 million and Baht 7.56 million, respectively.

29. TAX EXPENSE

Deferred tax assets (liabilities)

Deferred tax assets (liabilities) as at December 31, 2017 and 2016 are as follows:

	Unit : Thousand Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Deferred tax assets	2,685	2,137	-	-
Deferred tax liabilities	(1,530)	(1,215)	-	-
Total	1,155	922	-	-

The movements of deferred tax assets (liabilities) during the years are as follows:

	Unit : Thousand Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at January 1, 2017	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Ending balance as at December 31, 2017
Temporary Difference				
Employee benefit obligations	2,137	548	-	2,685
Amortization of intangible assets	(1,215)	(315)	-	(1,530)
Total	922	233	-	1,155

	Unit : Thousand Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at January 1, 2016	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Ending balance as at December 31, 2016
Temporary Difference				
Allowance for doubtful accounts	968	(968)	-	-
Employee benefit obligations	1,649	488	-	2,137
Amortization of intangible assets	(1,077)	(138)	-	(1,215)
Total	1,540	(618)	-	922

Tax expenses for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current tax expenses				
Current income tax expenses for the years	4,788	10,614	-	-
Deferred tax				
Deferred tax relating to origination and reversal of temporary differences	(233)	618	-	-
Income tax expenses presented in the statement of profit or loss and other comprehensive income	4,555	11,232	-	-

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2017 and 2016 are as follows;

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017		2016	
	Tax rate %	Amount Thousand Baht	Tax rate %	Amount Thousand Baht
Profit before income tax expenses		6,150		51,982
Applicable tax rate	20	1,230	20	10,396
Effects of net loss not recognized as deferred tax assets		2,098		-
Deferred tax relating to origination and reversal of temporary differences		(233)		618
Effects of income exempt from tax and non-deductible expenses for tax purpose		1,460		218
Income tax expenses presented in the statement of profit or loss and comprehensive income	74	4,555	22	11,232

	SEPARATE FINANCIAL STATEMENTS			
	2017		2016	
	Tax rate %	Amount Thousand Baht	Tax rate %	Amount Thousand Baht
Profit (loss) before income tax expenses		(5,767)		39,562
Applicable tax rate	20	(1,153)	20	7,912
Effects of net loss not recognized as deferred tax assets		2,098		-
Effects of income exempt from tax and non-deductible expenses for tax purpose		(945)		(7,912)
Income tax expenses presented in the statement of profit or loss and other comprehensive income	-	-	-	-

The Company and its subsidiaries used a tax rate of 20% for calculation of deferred tax and corporate income tax for the years ended December 31, 2017 and 2016, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

As at December 31, 2017 and 2016, the Company and two subsidiaries had temporary differences for future tax deductible and unutilized tax losses carry forward which have not been recognized as deferred tax assets in the statement of financial position. The consolidated financial statements amount of Baht 135.52 million and Baht 158.97 million, respectively, and the separate financial statements amount of Baht 135.50 million and Baht 157.30 million, respectively, because it is not probable that it will be able to utilize the tax benefits in the foreseeable future.

30. EARNINGS (LOSS) PER SHARE

The calculation of earnings (loss) per share for the years ended December 31, 2017 and 2016, are calculated by dividing profit (loss) for the year attributable to owners of the parent (excluded other comprehensive income) by the weighted average number of ordinary shares outstanding during the year as follows;

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Profit (loss) attributable to the parent company (Thousand Baht)	1,595	40,750	(5,767)	39,562
Weighted average number of common shares outstanding (Thousand shares)	1,089,076	1,089,076	1,089,076	1,089,076
Earnings (loss) per share (Baht/share)	0.001	0.037	(0.005)	0.036

31. SEGMENT FINANCIAL INFORMATION

Segment financial information is presented in respect of the Company and its subsidiaries' business segments.

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker ("CODM") in order to make decisions about the allocation of resources to the segment and assess its performance.

Segment results and operating assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Company and its subsidiaries comprise 3 main business segments as follows;

Segment 1 : Gold bar trading business

Segment 2 : Securities business

Segment 3 : Other business

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax expenses, as included in the internal management reports that are reviewed by the Company's and its subsidiaries' the chief operating decision maker ("CODM"). Segment profit after income tax expenses is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand. Therefore, there is only one major geographic segment.

Major customer

Revenues from a customer of the Company's gold trading business segment represent approximately Baht 4,402 million and Baht 6,370 million of the Company's total revenues for the years ended December 31, 2017 and 2016, respectively.

The segment financial information of the Company and its subsidiaries for the years ended December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	Gold bar trading business		Securities Business		Other business		Elimination		CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from sales	52,011,021	55,960,647	-	-	-	-	-	-	52,011,021	55,960,647
Cost of sales	(51,966,179)	(55,921,448)	-	-	-	-	-	-	(51,966,179)	(55,921,448)
Gross profit	44,842	39,199	-	-	-	-	-	-	44,842	39,199
Other income (expenses)	(26,770)	32,092	432,729	596,731	35,208	14,668	(44,623)	(57,492)	396,544	585,999
Operating and administrative expenses	(22,704)	(28,885)	(402,137)	(525,047)	(26,671)	(11,130)	37,860	13,815	(413,652)	(551,247)
Finance costs	(1,134)	(2,844)	(20,476)	(19,306)	-	(21)	26	202	(21,584)	(21,969)
Profit before income tax expenses									6,150	51,982
Income tax expenses									(4,555)	(11,232)
Net profit for the year									1,595	40,750
Other comprehensive income (expense)										
Item that will be reclassified subsequently to profit or loss										
Gain (loss) on remeasurement of investments held as available-for-sale									(2,251)	5,546
Other comprehensive income (expense), net of income tax									(2,251)	5,546
Total comprehensive income (expense) for the year									(656)	46,296

The segment assets of the Company and its subsidiaries as at December 31, 2017 and 2016 are as follows;

Unit : Thousand Baht

	Gold bar trading business		Securities Business		Other business		Elimination		CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Assets by segment	2,196,789	2,029,668	1,719,378	1,752,075	32,133	14,705	(990,757)	(1,017,561)	2,957,543	2,778,887

32. FINANCIAL INSTRUMENTS

Financial instruments are any contract which gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity in the meantime.

32.1 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.

Moreover, under the Notification of the Office of the Securities and Exchange Commission No. Kor Thor. 18/2549 regarding “Maintenance of Net Liquid Capital”, securities company is required to maintain its net liquid capital at the end of working day at least Baht 15 million and at least 7% of general liabilities.

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

Additionally, in accordance with the regulation of Thailand Clearing House Co., Ltd. (“TCH”) chapter 300 “Members” regarding the “Qualification of an Associated Member”, the Associated Member is required to have total owners’ equity at least Baht 150 million and/or have a financial condition in accordance with the criteria prescribed by an agency in charge of overseeing the business operations of such juristic person under relevant law.

As at December 31, 2017 and 2016, the subsidiary has net liquid capital higher than the requirement of the Office of the Securities and Exchange Commission and has owners’ equity higher than the requirement of TCH.

The periods of time from the end of reporting date to the maturity dates of financial instruments as at December 31, 2017 and 2016 are as follows;

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	263	263
Current investments	-	269	-	-	186	425
Receivables from Clearing House and broker-dealers	-	102	-	-	23	125
Securities and derivatives business receivables	-	418	-	-	470	888
Derivatives assets	-	-	-	-	9	9
Investments held as available-for-sale	-	-	-	-	21	21
Other long-term investments	-	-	-	-	8	8
Financial liabilities						
Payable to Clearing House and broker-dealers	-	87	-	-	-	87
Securities and derivatives business payables	-	379	-	-	4	383
Derivatives liabilities	-	-	-	-	12	12

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
2016						
Outstanding balances of financial instruments						
	At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	-	-	-	-	417	417
Current investments	-	-	-	-	134	134
Receivables from Clearing House and broker-dealers	-	407	-	-	18	425
Securities and derivatives business receivables	-	413	-	-	473	886
Derivatives assets	-	-	-	-	12	12
Investments held as available-for-sale	-	-	-	-	26	26
Other long-term investments	-	-	-	-	8	8
Financial liabilities						
Securities and derivatives business payables	-	678	-	-	-	678
Derivatives liabilities	-	-	-	-	12	12

Unit : Million Baht

SEPERATE FINANCIAL STATEMENTS					
2017					
Outstanding balances of financial instruments					
At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
Financial assets					
Cash and cash equivalents	-	-	-	88	88
Current investments	-	-	-	1	1
Derivatives assets	-	-	-	3	3
Investments held as available-for-sale	-	-	-	21	21
Financial liabilities					
Derivatives liabilities	-	-	-	3	3

Unit : Million Baht

SEPERATE FINANCIAL STATEMENTS					
2016					
Outstanding balances of financial instruments					
At call	Within 1 year	1-5 years	Over 5 years	No maturity	Total
Financial assets					
Cash and cash equivalents	-	-	-	218	218
Current investments	-	-	-	3	3
Derivatives assets	-	-	-	1	1
Investments held as available-for-sale	-	-	-	26	26
Financial liabilities					
Derivatives liabilities	-	-	-	1	1

32.2 Financial instruments risk

Financial instruments carried in the statement of financial position include cash and cash equivalents, current investments, Receivables from Clearing House and broker - dealers, securities and derivatives business receivables, derivatives assets, investments held as available-for-sale, other long-term investments, Payable to Clearing House and broker - dealers, securities and derivatives business payables and derivatives liabilities. The particular accounting policies associated with each item are disclosed in Note 3.

32.2.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates and it will affect the operation results of the Company and its subsidiaries' cash flows.

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
2017								
	Outstanding balances of financial instruments					Interest rate (%)		
	Floating interest rate	Repricing or maturity dates				per annum		
		At call	Less than 1 year	Over 1-5 years	No interest	Total	Floating rate	Fixed rate
Financial assets								
Cash and cash equivalents	140	-	-	-	123	263	0.25-0.85	-
Current investments	-	-	270	-	155	425	-	0.90-6.25
Receivables from Clearing House and broker-dealers	12	-	-	-	113	125	-	-
Securities and derivatives business receivables	-	-	427	-	461	888	-	5.50-18.00
Derivatives assets	-	-	-	-	9	9	-	-
Investments held as available-for-sale	-	-	-	-	21	21	-	-
Other long-term investments	-	-	-	-	8	8	-	-
Financial liabilities								
Payable to Clearing House and broker-dealers	-	-	87	-	-	87	-	-
Securities and derivatives business payables	-	-	-	-	383	383	-	-
Derivatives liabilities	-	-	-	-	3	3	-	-

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
2016								
	Outstanding balances of financial instruments					Interest rate (%)		
	Floating interest rate	Repricing or maturity dates				per annum		
		At call	Less than 1 year	Over 1-5 years	No interest	Total	Floating rate	Fixed rate
Financial assets								
Cash and cash equivalents	282	-	-	-	135	417	0.25-0.85	-
Current investments	-	-	3	-	131	134	-	0.80-0.90
Receivables from Clearing House and broker-dealers	12	-	-	-	413	425	-	-
Securities and derivatives business receivables	-	-	411	-	475	886	-	5.50-18.00
Derivatives assets	-	-	-	-	12	12	-	-
Investments held as available-for-sale	-	-	-	-	26	26	-	-
Other long-term investments	-	-	-	-	8	8	-	-
Financial liabilities								
Securities and derivatives business payables	-	-	-	-	678	678	-	-
Derivatives liabilities	-	-	-	-	12	12	-	-

Unit : Million Baht

SEPERATE FINANCIAL STATEMENTS								
2017								
	Outstanding balances of financial instruments					Interest rate (%)		
	Floating interest rate	Repricing or maturity dates				per annum		
		At call	Less than 1 year	Over 1-5 years	No interest	Total	Floating rate	Fixed rate
Financial assets								
Cash and cash equivalents	83	-	-	-	5	88	0.25-0.85	-
Current investments	-	-	1	-	-	1	-	0.90
Derivatives assets	-	-	-	-	3	3	-	-
Investments held as available-for-sale	-	-	-	-	21	21	-	-
Financial liabilities								
Derivatives liabilities	-	-	-	-	1	1	-	-

Unit : Million Baht

SEPERATE FINANCIAL STATEMENTS								
2016								
	Outstanding balances of financial instruments					Interest rate (%)		
	Floating interest rate	Repricing or maturity dates				per annum		
		At call	Less than 1 year	Over 1-5 years	No interest	Total	Floating rate	Fixed rate
Financial assets								
Cash and cash equivalents	209	-	-	-	9	218	0.25-0.85	-
Current investments	-	-	3	-	-	3	-	0.80-0.90
Derivatives assets	-	-	-	-	1	1	-	-
Investments held as available-for-sale	-	-	-	-	26	26	-	-
Financial liabilities								
Derivatives liabilities	-	-	-	-	1	1	-	-

32.2.2 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily in respect of trade and other receivables and securities and derivatives business receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures. As a result, the Company and its subsidiaries do not expect to incur material financial losses. In addition, the Company and its subsidiaries are not exposed to concentrations of credit risk because it has a variety of customer base and large number of customers. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and securities and derivatives business receivables as stated in the statements of financial position.

32.2.3 Market risk

The Company and its subsidiary's exposure to market risk that volatility on market price of securities and/or derivatives will substantially reduce the value of the Company and its subsidiary's investments and derivative assets or increase the value of derivative liabilities. However, the Company and its subsidiary manage such risk at acceptable levels through risk management policies, and establishment of proper risk limits and parameters, as well as a market risk monitoring function.

The subsidiary manages its exposure to risk of fair value changes of derivative warrants by using a computer model to monitor the volatility of the price of the underlying securities to determine its trading strategy. In addition, the subsidiary manages its exposure to liquidity risk when it wishes to trade the underlying securities by selecting those underlying securities that have sufficiently high liquidity.

32.2.4 Foreign exchange risk

The Company and its subsidiary are exposed to exchange rate risk in respect of margin denominated in foreign currencies for the gold futures and securities trading in foreign market. As at December 31, 2017 and 2016, the Company and its subsidiary have the balance of financial assets and liabilities denominated in foreign currencies as follows;

CONSOLIDATED FINANCIAL STATEMENTS						
Currency	Financial assets		Financial liabilities		Exchange rate	
	Million USD		Million USD		Baht : Foreign Currency	
	2017	2016	2017	2016	2017	2016
USD	19.50	13.15	-	-	32.5146	35.6588

SEPERATE FINANCIAL STATEMENTS						
Currency	Financial assets		Financial liabilities		Exchange rate	
	Million USD		Million USD		Baht : Foreign Currency	
	2017	2016	2017	2016	2017	2016
USD	19.18	12.99	-	-	32.5146	35.6588

32.2.5 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 and its subsidiary in estimating fair values of financial instruments.

32.2.5.1 Financial assets and financial liabilities measured at fair value

Certain financial assets and financial liabilities of the Company and its subsidiary 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				
	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at	As at		
	December 31, 2017	December 31, 2016		
	Thousand Baht	Thousand Baht		
<u>Financial assets</u>				
Current investments				
Trading investments				
Listed securities	143,397	131,298	Level 1	Quoted bid prices in an active market
Warrants	8,580	-	Level 1	Quoted bid prices in an active market
Unit trust-open-end fund	2,414	188	Level 2	Net asset value of unit trust
Debt securities	270,204	-	Level 2	Yield rates as quoted by the Thai Bond Market Association
Derivative assets				
Futures	8,991	12,015	Level 1	Quoted settlement prices in Thailand Future Exchange Public Company Limited
Forward contracts	368	153	Level 2	Exchange rate of the last working day of the reporting period as announced by Bank of Thailand
Investments held as available-				
for-sale Listed securities	14,853	19,951	Level 1	Quoted bid prices in an active market
Unit trust-open-end fund	5,717	5,662	Level 2	Net asset value of unit trust
<u>Financial liabilities</u>				
Derivative liabilities				
Futures	2,781	12,048	Level 1	Quoted settlement prices in Thailand Future Exchange Public Company Limited
Forward contracts	48	315	Level 2	Exchange rate of the last working day of the reporting period as announced by Bank of Thailand

CONSOLIDATED FINANCIAL STATEMENTS				
	Fair value		Fair	Valuation techniques
	As at	As at	value	and key inputs
	December	December	hierarchy	
	31, 2017	31, 2016		
	Thousand	Thousand		
	Baht	Baht		
<u>Financial assets</u>				
Current investments				
Trading investments	486	-	Level 1	Quoted bid prices in an active market
Derivatives assets				
Futures	2,633	-	Level 1	Quoted settlement prices in Thailand Future Exchange Public Company Limited
Forward contracts	368	153	Level 2	Exchange rate of the last working day of the reporting period as announced by Bank of Thailand
Investments held as available- for-sale Listed securities	14,853	19,951	Level 1	Quoted bid prices in an active market
Unit trust-open-end fund	5,717	5,662	Level 2	Net asset value of unit trust
<u>Financial liabilities</u>				
Derivative liabilities				
Futures	2,559	-	Level 1	Quoted settlement prices in Thailand Future Exchange Public Company Limited
Forward contracts	48	315	Level 2	Exchange rate of the last working day of the reporting period as announced by Bank of Thailand

32.2.5.2 Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				Fair value hierarchy
	As at December 31, 2017		As at December 31, 2016		
	Carrying amount	Fair value	Carrying amount	Fair value	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<u>Financial assets</u>					
Cash and cash equivalents	262,570	262,570	417,172	417,172	3
Receivables from Clearing House broker-dealers	125,452	125,452	425,150	425,150	3
Securities and derivatives business receivables	887,997	887,997	885,920	885,920	3
Other long-term investments	7,800	8,382	7,800	8,169	3
<u>Financial liabilities</u>					
Payable to Clearing House broker-dealers	86,521	86,521	-	-	3
Securities and derivatives business payables	382,713	382,713	678,374	678,374	3

	SEPERATE FINANCIAL STATEMENTS				Fair value hierarchy
	As at December 31, 2017		As at December 31, 2016		
	Carrying amount	Fair value	Carrying amount	Fair value	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Financial assets					
Cash and cash equivalents	87,660	87,660	217,633	217,633	3

The fair values of the financial assets and financial liabilities above are considered to approximate their respective carrying value since the fair value are predominantly subjected to market interest rate and mature in the short-term except general investment in equity securities which use net asset value of invested company.

33. COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Commitments

33.1.1 As at December 31, 2017 and 2016, the Company and its subsidiary have commitment on forward foreign exchange contracts which notional amount is as follows;

Unit : Million USD

	CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS	
	2017	2016
Foreign currencies selling contracts	5.90	1.00
Foreign currencies purchasing contracts	0.90	2.95

- 33.1.2 As at December 31, 2016, the Company's outstanding balances of standby letters of credit amounted to USD 0.75 million (as at December 31, 2017 : nil).
- 33.1.3 A subsidiary is required to pay a membership fee to Stock Exchange of Thailand on a monthly basis of Baht 50,000 at a rate of 0.005% of trading value, indefinitely.
- 33.1.4 A subsidiary has an obligation on payment the fee to the SEC from engagement in securities trading broker business which calculated from trading value in the Stock Exchange of Thailand at the rate of 0.001% and the fee for investment advisory and securities trading at the rate of 1% of revenues from business. The fee is payable on yearly basis.
- 33.1.5 A subsidiary is required to pay contribution to the Compensation Fund for Clearing and Settlement Securities which is overseen by the Thailand Clearing House Company Limited on monthly basis at the rate of its net trading each month. This rate is determined by Thailand Clearing House Company Limited depends on the risk management of the subsidiary.
- 33.1.6 A subsidiary is required to pay contribution to the Investor Protection Fund in the future contract which is overseen by Thailand Future Exchange Public Company Limited on a monthly at the rate of 4% of trading fee.
- 33.1.7 A subsidiary is required to pay contribution to the Compensation Fund for derivatives clearing and settlement which is overseen by the Thailand Clearing House Company Limited on monthly basis at the rate of daily average margin each month. This rate is determined by Thailand Clearing House Company Limited depends on the risk management of the subsidiary.
- 33.1.8 A subsidiary has an obligation to pay the fee under the online trading service agreement to Settrade.com Co., Ltd. which is overseen by the Stock Exchange of Thailand, at the rate of 0.0025%-0.04% of its trading value with the minimum payment not less Baht 40,000 per month.
- 33.1.9 A subsidiary is required to pay the fee related to its derivative business to Thailand Future Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of futures contract transaction.
- 33.1.10 A subsidiary is required to pay certain service fees to Thailand Securities Depository Company Limited, as it, Back Office Service Bureau. A monthly fee at a rate of Baht 60,000 and certain other fees specified in the agreement.
- 33.1.11 A subsidiary is required to pay the derivatives trading fee under the online trading service agreement to Settrade.com Co., Ltd. which is overseen by the Stock Exchange of Thailand, at the rate of Baht 10-45 per contract, with the minimum payment being Baht 40,000 per month.
- 33.1.12 A subsidiary is required to pay a membership fee to Thailand Clearing House Company Limited on a monthly basis of Baht 15,000 and at a rate of 0.001% of the trading value, indefinitely.
- 33.1.13 A subsidiary is required to pay derivatives trading fee to the Office of the Securities and Exchange Commission at a rate of Baht 0.10 per contract, except for derivatives which share price not exceed Baht 100, the fee will be Baht 0.01 per contract.

33.1.14 As at December 31, 2017 and 2016, the Company and its subsidiaries have the following outstanding rental and service commitments under the lease and service agreements for their office building, office equipment and other services which they are to pay rental and service fees in the future as follows:

Unit : Million Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Payable				
In within 1 year	25.98	22.62	2.04	0.85
In over 1 year and up to 5 years	31.51	8.16	0.01	0.03
Totals	57.49	30.78	2.05	0.88

For the years ended December 31, 2017 and 2016, the Company's and its subsidiaries' operating lease agreements recorded as expense in the statement of comprehensive income are Baht 27.42 million and Baht 29.85 million, respectively.

For the years ended December 31, 2017 and 2016, the Company's operating lease agreements recorded as expense in the statement of comprehensive income are Baht 1.34 million and Baht 1.02 million, respectively.

33.1.15 The Company has obligation under the purchase and sale order of gold bars for which undelivered to the overseas gold trader companies as below:

As at December 31, 2017, purchase order of gold bars 99.99% for 537.20 kgs. amount of Baht 733.05 million or USD 22.55 million.

As at December 31, 2016, purchase order of gold bars 99.99% for 324.32 kgs. amount of Baht 430.93 million or USD 12.06 million.

33.2 Contingent liabilities

As at December 31, 2017 and 2016, a subsidiary was sued by a customer under purchase/sale securities contract approximately Baht 3 million. This case was dismissed by the Civil Court. Such case was dismissed by the Appeal Court on April 17, 2015 and is currently being investigated by the Supreme Court.

34. APPROVAL FOR ISSUING OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 21, 2018.





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