

รายงานประจำปี 2562 2019 ANNUAL REPORT



**Holding Management
Public Company Limited**



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Vision

- Focus on being a leading intermediary, trading partner and professional consultant for investment 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 2019, the global economic situation continued to slow down. The main risk factors were the China—United States trade war, the interest rate cut of the Federal Reserve System for 3 times in the previous year, and the decline in global oil prices. These were contrary to the global stock market that could provide the best return in 10 years amid the pressure from risk factors. The global gold prices at the end of 2019 ended at \$1,517.18/Oz, increased by \$234.99/Oz or 18.33%, which was the highest figure since 2010. The domestic gold prices ended at 21,550 Baht per baht-weight, increased by only 9.39% or 1,850 Baht per baht-weight, as the exchange rate of Baht to US dollar in 2019 had appreciated to 2.52 Baht to US dollar or 7.81%. As of the end of 2019, the exchange rate of Baht to US dollar stood at 29.76 Baht per US dollar. Regarding the investment in the domestic stock market, the Stock Exchange of Thailand Index (SET INDEX) at the end of 2019 closed at 1,579.84 points, increased by 1% from the previous year. The average daily trading value was 53,192 million Baht, decreased by 7.8%. There were the domestic pressures from the shrinking export sector and the declining GDP growth.

Regarding the operating results of Globlex Company Group in 2019, the total revenue was 82,877 million Baht, increased by 31,954 million Baht or 62.77% from the previous year. The revenue from the sale of gold bars increased by 32,008 million Baht or 63.52%. Its net profit was 17.01 million Baht, increased by 8.53 million Baht or 50.15%. In 2020, the global economic situation is expected to slow down due to external factors, such as the China—United States trade war, the unrest in the Middle East between Iran and the United States, the outbreak of novel coronavirus, and the fluctuations of the risk-weighted asset value, i.e., global stock markets and global oil prices. However, the domestic factors affecting the stock market are the economic trends in Thailand, especially the real estate market, estimation of decreasing GDP growth, and drought conditions. Regarding the operating results in 2020, the Globlex Group has adjusted to distribute revenue to other business sectors other than revenue from securities business that tends to decrease, such as fixed income products underwrite & arrangement, bond trading in the secondary market, financial advisory, structured notes business, and being a selling agent, which will help reduce the impact from the decrease of revenue derived from securities business.

The Globlex Company Group has adopted the Good Corporate Governance for Listed Companies 2017 (CG Code). The Board of Directors realizes the responsibility as a leader supervising the Globlex Company Group to have good management and monitoring the implementation of the company's policies and strategies in order to be able to compete and have good operating results sustainably in long term. In addition, in 2019, the certification of the Company and the Securities Company was also renewed by the Private Sector Collective Action Coalition Against Corruption Committee.

The Board of Directors would like to express my sincere thanks and appreciation to all our shareholders, clients, employees and all those who contributed to our business success and will continue to support us in our future endeavors.




Mr. Oran Koohapremkit
Chairman of the Board of Directors

Board of Directors



Mr. Oran Koohapremkit

Chairman

Miss Vilailuck Skulpakdee

Chairman of Audit and Corporate Governance Committee and Independent Director

Mr. Suthep Pongpitak

Audit and Corporate Governance Committee and Independent Director

Mr. Suporn Thammaraks

Audit and Corporate Governance Committee and Independent Director

Mr. Tharaphut Kuhapremkit

Director and Managing Director

Report of the Audit Committee for the Fiscal Year 2019

The Audit Committee of Globlex Holding Management Public Company Limited consists of 3 independent directors. In 2019, the Audit Committee held altogether 9 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 2019 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 evaluate and 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 related-party 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. 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 2020 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.

The Audit and Corporate Governance Committee summarized its findings of the Company and subsidiaries' internal and risk management system for the year 2019. 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.

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. As of December 31, 2019 the Company has ordinary shares registered capital of Baht 1,460,000,000 and 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 investment in 3 subsidiaries - Globlex Securities Co., Ltd. which core companies seeking to list on the Thai Stock Exchange, Capital One Partners 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.

Capital One Partners Co., Ltd., a wholly-owned (59.99%) subsidiary, was established in February 2004 with a registered paid-up capital of Baht 10 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, 2019, the Company and its subsidiaries recorded total assets of Baht 2,710.21 million, total liabilities of Baht 1,304.25 million and total equity of Baht 1,405.96 million. For the year ended December 31, 2019, the Company and its subsidiaries revenue was Baht 82,876.69 million and net profit of Baht 17.01 million. Sales income from gold bars accounted for 99.42%, securities brokerage income accounted for 0.28% and fees and service incomes accounted for 0.15%.

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 able to respond to clients' use efficiently
-  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

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, 2019 as follows :



MAJOR SHAREHOLDERS

Top Shareholders as of March 13, 2019 (Latest closing day of Share Registration)

Name	Number of shares	% of shareholding
1. Mr. Oran Koohapremkit	232,400,000	21.34
2. Thai NVDR Company Limited	129,961,400	11.93
3. Mr. Keeralpong Koohapremkit *	85,000,000	7.80
4. Mr. Orapin Voravithpinit	49,665,600	4.56
5. Mrs. Siriporn Charoenngam	45,493,300	4.18
6. Mr. Kasame Lertbud	34,162,600	3.14
7. Mr. Banyong Anakatham	26,600,000	2.44
8. MR. VINCENT HAI-NING CHOU	22,166,200	2.04
9. Ms. Kanchana Kuhapremkit *	20,000,000	1.84
10. Mr. Preecha Chanthong	19,385,500	1.78
Total	664,834,600	61.05

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

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, 02-6725959

Fax : 0-2672-5888

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

Prachachuen Branch

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: 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

.....

: 91 Panya Village, 2nd Floor, Room No. L2-01, Panya 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

.....

: 2, Central Airport Plaza, Suit 2A146, Mahidol Road, Tumbol Haiya,
Muang, Chiangmai 50100

Telephone : 0-5390-3599

Fax. : 0-5390-3605

Nakhon Ratchasima Branch

.....

: 581/3 Jomsurangyart, Tambol Nai Muang, Amphoe Muang Nakhon Ratchasima,
Nakhon Ratchasima Province 30000

Telephone : 0-4425-2861

Fax. : 0-4425-2873

Ubon Ratchathani Branch

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: 240/5-6 Upalisan Road, Tambol Nai Muang, Amphoe Muang Ubon Ratchathani,
Ubon Ratchathani Province 34000

Telephone : 0-4599-7900

Fax. : 0-4599-7909

Chonburi Branch

.....

: 55/88, 55/89, 55/91 Moo 1, Central Plaza Chonburi, 3rd Floor, Room no. 368,
Samet, Muang Chonburi, Chonburi 20000

Telephone : 0-3805-3762

Fax. : 0-3805-3919

Capital One Partners Company Limited

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

Registration Number : PLC 0105546055170

Telephone : 0-2672-5995

Fax : 0-2672-5996

Asia Equity Venture Company Limited

Head Office : 87/2 CRC All Seasons Place 12th Floor, Wireless Road, Lumpini,
Patumwan, Bangkok 10330
Registration Number : PLC 0105549071851
Telephone : 0-2672-5995
Fax : 0-2672-5996

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 2019)

.....

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

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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	2016	2017	2018	2019
Profitability Ratios				
Gross Profit Margin ⁽¹⁾	0.070%	0.0863%	0.0454%	0.066%
Net Profit Margin	0.072%	0.003%	0.017%	0.021%
Return on Equity	2.91%	0.11%	0.61%	1.22%
Return on Investment ⁽²⁾	136.54%	38.61%	20.71%	16.05%
Efficiency Ratios				
Return on Assets	1.56%	0.06%	0.31%	0.66%
Assets Turnover (Times)	21.61%	18.32	18.85	32.15
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	51.73%	53.27%	67.76%	69.06%
Earning Assets to Total Assets	36.61%	44.40%	46.34%	50.43%
Debt / Equity (Times)	0.97	1.41	0.76	0.93
Dividend Pay-out	82.58%	N/A	N/A	N/A
Other Ratios				
Investment in Securities to Assets	5.93%	15.33%	28.76%	31.07%

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, 2016- 2019, the Company had no outstanding loans.

Revenue Structure

Revenue structure of Globlex Holding Management Public Company Limited and its subsidiaries since the year 2016 - 2019

Globlex Holding Management Public Company Limited

Revenue	2016		2017		2018		2019	
	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%
Revenues from sales	55,960,647	99.92%	52,011,021	99.98%	50,389,685	99.91%	82,398,224	99.96%
Interest and dividend income	41,293	0.07%	1,552	-	1,900	0.01%	4,408	0.01%
Gain (Loss) on securities	(661)	-	3,403	0.01%	16,171	0.03%	18,883	0.02%
Gain (Loss) on derivatives	-	-	2,237	0.01%	25,099	0.05%	11,256	0.01%
Other incomes	2,726	0.01%	1,512	-	126	-	2,072	-
Total Revenues	56,004,005	100.00%	52,019,725	100.00%	50,432,981	100.00%	82,434,843	100.00%

Globlex Securities Company Limited

Revenue	2016		2017		2018		2019	
	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%
Brokerage fees	481,939	76.33%	378,602	69.68%	335,507	66.46%	242,563	54.20%
Fees and services income	21,753	3.45%	62,575	11.52%	93,657	18.55%	113,607	25.39%
Gain (Loss) on securities and derivatives	59,698	9.45%	40,286	7.41%	14,098	2.79%	32,542	7.27%
Interest and dividend income	27,404	4.34%	31,373	5.77%	36,108	7.15%	37,868	8.46%
Interest on margin loans	36,279	5.75%	28,599	5.26%	22,421	4.44%	18,055	4.04%
Other incomes	4,291	0.68%	1,932	0.36%	3,069	0.61%	2,869	0.64%
Total Revenues	631,364	100.00%	543,368	100.00%	504,860	100.00%	447,504	100.00%

Capital One Partners Company Limited

Revenue	2016		2017		2018		2019	
	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%
Fees and services income	16,231	100.00%	40,587	100.00%	15,502	100.00%	24,756	100.00%
Other incomes	1	-	1	-	1	-	1	-
Total Revenues	16,232	100.00%	40,588	100.00%	15,503	100.00%	24,757	100.00%

Asia Equity Venture Company Limited

Revenue	2016		2017		2018		2019	
	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%	Baht Thousand	%
Interest income	159	100.00%	27	100.00%	27	100.00%	27	100.00%
Total Revenues	159	100.00%	27	100.00%	27	100.00%	27	100.00%

Nature of Business

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. and Asia Equity Venture Co.,Ltd. as of December 31, 2019. 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.

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. 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:

Product	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)

Summary of Gold Market Conditions in 2019

The global gold market in 2019 provided the positive return of \$ 234.99 / Oz, or increased by 18.33%, which was the highest return since 2010 (As of the end of the year 2018 and 2019, the global gold price stood at \$1,282.19/Oz and \$1,517.18/Oz, respectively. During the year 2019, the lowest point and the highest point of the global gold price were \$1,266/Oz and \$1,556.94/Oz, respectively.) Regarding the domestic price of gold bars with 96.50% purity, if considering the price of the Thai Gold Traders Association, the return in 2019 was only 9.39% or 1,850 Baht per baht-weight (As of the end of the year 2018 and 2019, the Association price stood at 19,700 Baht and 21,550 Baht per baht-weight, respectively. During the year 2019, the lowest point and the highest point of the gold bars with 96.50% purity were 19,150 Baht and At 21,550 Baht per baht-weight, respectively.) The domestic price of gold bar provided the positive return less than the global gold, because the exchange rate of Thai Baht to US dollar in 2019 appreciated by 2.52 Baht per US dollar or 7.81%. (At the end of the year 2018 and 2019, USD-THB exchange rate was at 32.28 Baht per US dollar and 29.76 baht per US dollar, respectively.)

Regarding the supporting factor of the increase of global gold price in 2019, it began with a tax war on imported goods or China—United States trade war. At the end of 2019, the issue began to ease after both countries signed an agreement to ease import taxes of the beginning of the year 2020. In addition, gold also received positive factors from the Federal Reserve System or the Fed's policy on interest rate cut for 3 times in the second half of the year, which decreased by 0.25% each time. At the end of the year 2019, the interest rate of Fed's policy stood at 1.50-1.75%. In addition, before the end of December, there was a conflict in Iraq between protesters who were expected to be supported by Iran and the United States. This event helped push the gold price to increase before the end of the year.

Additional supporting factors in 2019 were the increasing holding of gold of ETFs around the world and the net purchases of many central banks around the world throughout the previous year.

Trend of Gold Market in 2020

The fluctuation of uncertain events on many issues is likely to remain in 2020. For example, the financial uncertainty like a trade war that, although the United States and China have made an agreement in the first phase, it seems that the current US president, who will be re-elected by the end of 2020 and focus on patriotism as a selling point, may establish market policies beyond expectation in the future. In addition, the conflict between the United States and Iran should become tense and continue to extend throughout the year 2020. Plus, with the forecast in 2020, although it has not been an uptrend of interest rates, it is expected that central banks will still need to remain low interest rates and wait for the economy to recover powerfully again.

Such reasons are also the factor supporting the gold price to be in the uptrend continuously in 2020. Central banks are expected to increase the proportion of gold reserves and the fluctuation of risk-weighted assets like the US stock market prior to the big election at the end of the year 2020 will support the gold price to continue standing at a high level.

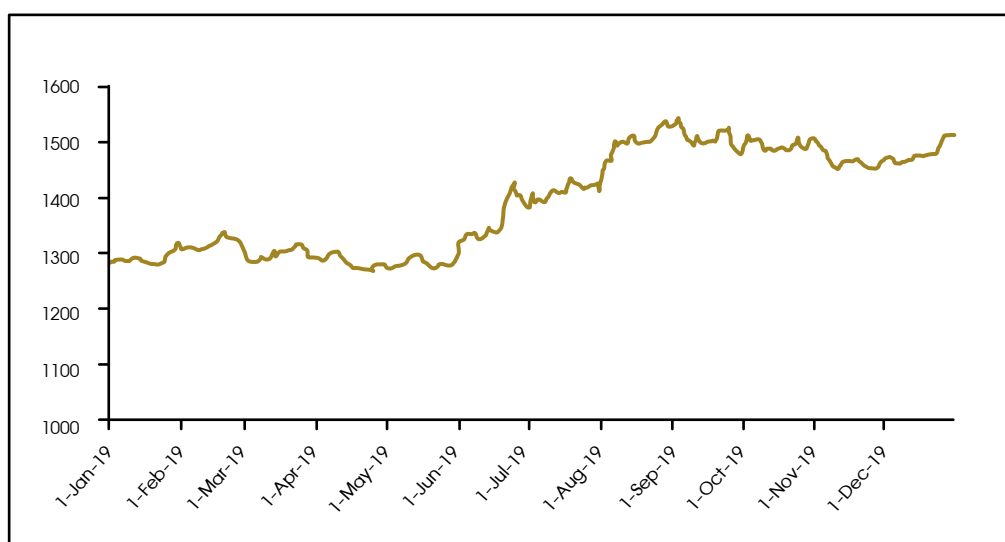
Although the fluctuation of the global gold price increases, if comparing to the previous fluctuation of the global gold prices, it is considered as the lowest level in 14 years, which is not in the risky situation for investors who are interested in gold investment.

Technically, the global gold price in 2019 has been raised from the lowest point for the fourth time since 2015. It is expected that the global gold price movement in 2020 will be between \$1,440/Oz- \$1,700/Oz. Overall, the price already exceeds the sideways frame that has occurred since 2014. The main resistance for gold investors will be at \$1,580/Oz. If it can be closed at the value more than this, the next main resistance will be at \$1,650/Oz and \$1,700/Oz, respectively.

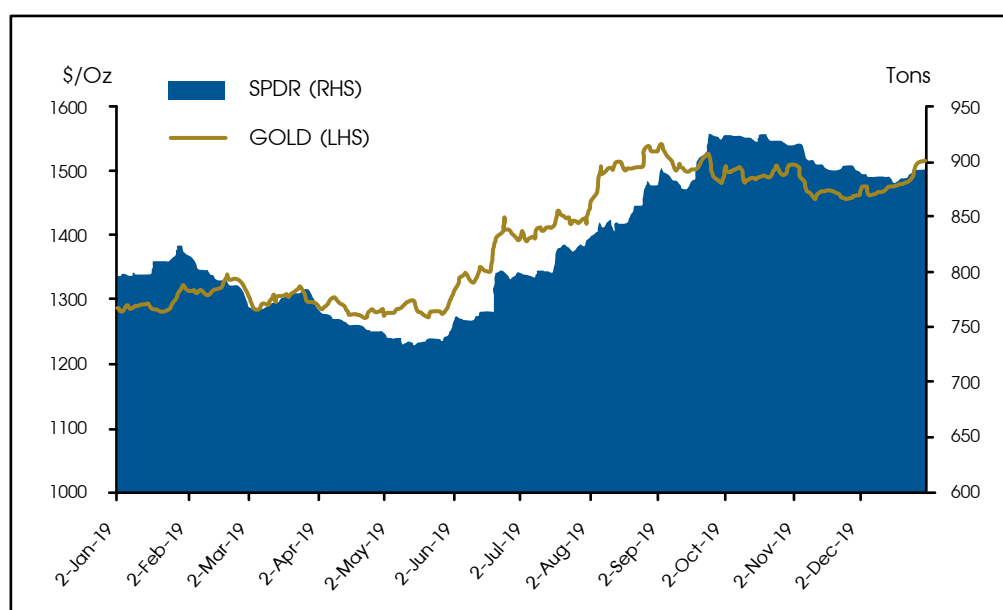
Factors required attention in 2020

1. United States presidential election (+)
2. Conflict in the Middle East between the US and Iran (+)
3. Impact from policies on trade tax (+)
4. Implementation of monetary policy of the Federal Reserve System and Europe (+)
5. Net trading volume of Gold ETFs and gold trading of central banks (+)
6. Fluctuations of value of risk-weighted assets, such as global stock markets and global oil prices (+)
7. Exchange rate of Thai Baht to the US dollar (-)

Gold Price 2019



Gold vs SPDR 2019



Globlex Securities Company Limited

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

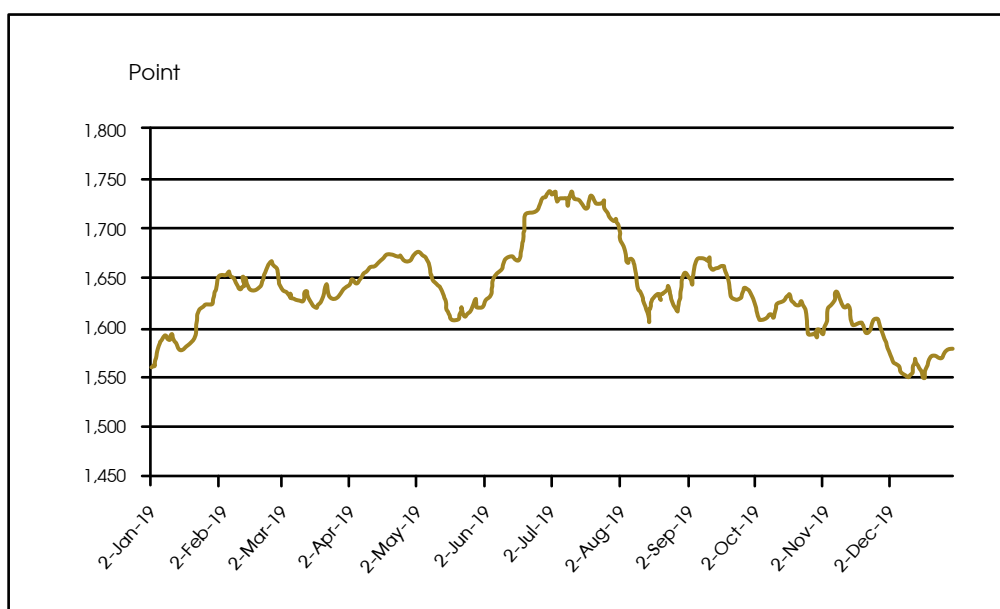
1. Securities Brokerage

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 6 branches, 2 of which are in Bangkok i.e. Prachacheun and Rarm Intra, while the other 4 are in various provinces i.e. Chiangmai, Nakorn Rachasima, Ubol Rachathanee and Choburi. The Securities Company still has a plan for business expansion to provide services nationwide.

Securities trading in 2019

The Stock Exchange of Thailand (SET) index as of year-end 2019 stood at 1,579.84 points, up by 15.96 points from the 2018, with average SET and Market for Alternative Investment (MAI) daily trading value at Baht 53.19 billion, down by 8% from the Baht 57.67 billion in 2018. On January 2, 2019, SET index closed at 1,595.94 points and peaked at 1,748.15 points at July 11, 2019 and bottomed out at 1,552.88 points on December 19, 2019. Clients who traded securities comprised of general and foreign investors 75.52% and institutional investors 11.36% and companies investment portfolios 13.54%.

SET 2019



Market Data of SET 2016 - 2019

	2016	2017	2018	2019
Total Trading Turnover of SET and MAI (M. Baht)	12,816,259	12,227,747	14,130,078	12,978,856
Daily Average Trading turnover (M. Baht)	52,526	50,114	57,674	53,192.02
Market Capitalization (M. Baht)	15,504,636	17,926,270	16,219,069	16,962,612
SET Index (Point)	1,542.94	1,753.71	1,563.88	1,579.84
MAI Index (Point)	616.27	540.37	356.44	309.64
Dividend Yield SET (%)	3.04	2.70	3.22	3.14
Dividend Yield MAI (%)	1.24	1.42	2.09	2.91
P/E Ratio SET	18.55	19.06	14.75	19.40
P/E Ratio MAI	63.27	106.13	44.30	23.08
Number of securities listed on the SET	1,838	2,052	2,289	2,832
Number of securities listed on the MAI	178	203	202	197

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

Globlex Securities Co., Ltd.'s daily trading volume during the past 3 years were Baht 1.72 billion in 2017, Baht 1.51 billion in 2018 and Baht 1.19 billion in 2019; comprising of cash, credit balance, and internet accounts. The following is Globlex securities Co., Ltd.'s clients segregated by types and trading accounts during 2016 to 2019 including general securities market situation:

	2016		2017		2018		2019	
Number of securities listed on the SET	1,838		2,052		2,289		2,832	
Number of securities listed on the MAI	178		203		202		197	
Market Ranking	25		25		27		27	
Total number of Brokers	36		38		38		39	
Market share (%)	2.15		1.91		1.49		1.39	
Total trading turnover of the SET and MAI* (Million Baht)	12,816,259		12,227,747		14,130,078		12,978,856	
Total Company's trading volume (Million Baht)	540,727		442,817		371,490		291,448	
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	496,389	91.81%	410,266	92.64%	363,663	97.89%	291,031	99.85%
- Institutional	675	0.12%	8,225	0.19%	5,777	1.56%	411	0.14%
- Others (Corporate, portfolio, etc)	43,663	8.07%	24,326	7.17%	2,050	0.55%	46	0.01%
Classified by types of Accounts (Million Baht) of Globlex Securities Co.,Ltd.	Trading Value	Proportion (%)	Trading Value	Proportion (%)	Trading Value	Proportion (%)	Trading Value	Proportion (%)
- Cash Account	397,517	73.52%	325,420	73.49%	286,456	77.11%	226,358	77.67%
- Cash Balance Account	117,939	21.81%	91,817	20.73%	60,590	16.31%	48,855	16.76%
- Credit Balance Account	25,271	4.67%	25,580	5.78%	24,444	6.58%	16,235	5.57%

Recently, although the overview based on the average daily trading of securities is similar to the previous year, when separating the SET and MAI markets and classifying the type of investors, it can be seen that the retail customer base of the Securities Company is quite affected by the shrinkage of the trading value of MAI market, which decreased from 1,274.63 million Baht per day in 2018 to 724.44 million Baht per day in 2019, or by 42%. Therefore, dependence on brokerage income from the business of retail customer base securities may have an impact. The Securities Company foresees the potential problems. The operation guidelines in 2020 therefore focus on generating income that does not rely solely on the business of securities trading. Securities Company must adapt to maintain a stable position under the control of cost and the number of human resources to be suitable for the revenue proportion within the Securities Company, establishment of the Company's central base, building a high net worth customer base, and maintaining the existing customer base to be suitable for the competitive situation of the securities business.

Regarding the securities analysis, the Securities Company has a support team experienced in providing service of analytic data, both the fundamentals and techniques for securities investment, with quality and in a timely manner to customers. This is to provide information to customers of Securities Company so that they can apply it to support their investment consideration that is suitable for the investment situation of each customer in each period. In 2020, the goal of the Securities Company focuses on the quality of the analysis continuously. In the meantime, the Company will prepare more securities analysis to be in line with the newly listed shares. Those interested can study the details in www.globlex.co.th. In addition, the Securities Company also provides derivative analysis reports on a daily basis, including SET50 Index Futures and Options, Gold Futures, and Single Stock Futures, in order to provide knowledge and information for supporting decisions of investment in such derivatives for customers.

Trend of Business of Securities in 2020

Recently, although the overview based on the average daily trading of securities is similar to the previous year, when separating the SET and MAI markets and classifying the type of investors, it can be seen that the retail customer base of the Securities Company is quite affected by the shrinkage of the trading value of market, which decreased from 1,274.63 million Baht per day in 2018 to 724.44 million Baht per day in 2019, accounting for -42%.

However, according to such overview, it directly affects retail customers. The causes derive from the market conditions that do not facilitate investment, price competition of securities companies, and the government sector's rules and regulations that do not support the investment. The Securities Company realizes that dependence on brokerage income alone may have an impact in the future. As a result, the guidelines of the year 2020 focus on non-brokerage income, starting from the restructuring of central securities business that focuses on increasing other revenues. In addition, the Securities Company has to adapt for a stable status by reducing expenses, controlling costs and number of personnel to be suitable for income proportion, and maintaining the existing customer base appropriately in line with the competitive situation of the securities business.

To adapt and focus on the development of technology and information systems to be the right option for customers and create a new customer base, the Company has increased service channels, such as developing SETTRADE systems, adding the channel to submit MT4 for Equity command to develop into automated trading systems for interested customers, improving Stock Radar to be suitable for the use of customers requiring a new trading system, developing the Fund Connect system to respond to customers requiring investment through mutual funds in a form of Fund Market, and providing fund products for customers. In addition, regarding its implementation, AI Data System has been developed as a system for processing basic data of customers, including opening an account via online system, which is in the process of requesting for an approval from the government sector.

In addition, the Company continues focusing on seeking for revenue and creating a new customer base continuously, such as revenues from consulting fees and fees, IB Investment Advisory Department and Bond Trading Department/Secondary Market Department, seeking for credit balance customers to generate interest income on margin loans, and block trade transactions of Derivatives Department.

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 2019, the Securities Company acted as underwriter and co-underwriter to newly issued ordinary shares for 9 company as follow:

1. VL Enetrprice PCL (VL) : Underwriter
2. Aotocop Holding (ACG) PCL : Co-underwriter
3. Kumwell Corpration PCL (KUMWELL) : Co-underwriter
4. R&B Food Supply PCL (RBF) : Co-Underwriter
5. Interpharma PCL (IP) : Co-underwriter
6. Boutique Corporation PCL (BC) : Co-underwriter
7. Applicad PCL (APP) : Co-underwriter
8. STC Concrete Product PCL (STC) : Co-underwriter
9. Intermedical Car and Lap Hospital PCL (IMH) : Co-underwriter

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. Selling Agent

The Securities Company has expanded the business of selling agent for 11 national leading asset management companies (AMC).

In 2019, the Securities Company joined the membership of the fund trading platform, such as Settrade Streaming for fund, which is an application for trading mutual funds, checking the status of mutual fund purchase orders, and tracking investment portfolios in mutual funds and viewing information of mutual funds for supporting the investment decision. Customers will open the trading account with the Securities Company once and then they will be able to trade with the national leading asset management companies (AMC) by using Application: Settrade Streaming for fund operated by Settrade.com Company Limited.

The Securities Company estimates that the business of selling agent will be able to generate revenues in addition to the main revenue and become an option of investment for investors in all market conditions. In addition, it also meets requirements of the new generation of investors who need convenience and rapidness with Application: Settrade Streaming for fund. Currently, it can be traded through the Application at 11 locations as follows;

1. One Asset Management Limited.
2. Krungthai Asset Management Public Company Limited.
3. Krungsri Asset Management Company Limited.
4. Kasikorn Asset Management Company Limited.
5. Principal Asset Management Company Limited.
6. TMB Asset Management Company Limited.
7. SCB Asset Management Company Limited.
8. UOB (Thailand) Asset Management Company Limited.
9. Lnad and House Fund Asset Management Company Limited.
10. MFC Fund Asset Management Company Limited.
11. Assets Plus Fund Asset Management Company Limited.

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. Fixed Income Products Underwrite & Arrangement

The Securities Company is a member of the Thai Bond Market Association (Thai BMA) and Thailand Bond Exchange (TBX), the Securities Company provides fixed income products placement service such as short-term, bond long-term trading, bill of exchange service to individual investors and domestic institutional investors in primary market. The offering includes :

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

In 2019, the Securities Company acted as co-underwriter bond for 16 company namely

1. Prinsiri Public Company Limited
2. EDL-Genneration Public Company Limited
3. Double A (1991) Public Company Limited
4. Chow Steel Industries Public Company Limited
5. Grande Assets Holtels and Property Public Company Limited
6. Cho Thavee Public Company Limited
7. Chewathai Public Company Limited
8. Property Perfect Public Company Limited
9. G Capital Public Company Limited
10. Chan Issara Development Public Company Limited
11. Major Development Public Company Limited
12. Power Line Public Company Limited
13. Singer (Thailand) Public Company Limited
14. National Power Supply Public Company Limited
15. M.K. Real Estate Development Public Company Limited
16. Lease IT Public Company Limited

9. Bond Trading in Secondary Market

The Securities Company has operated the business of bond trading in the secondary market since 2017 by emphasizing on service platforms to meet investment requirements in accordance with the timeframe specified by customers. The customer group consists of small and large customers, institutions, and juristic persons to which 2 types of transaction services are provided.

1. Outright Transaction is suitable for customers who want to invest in accordance with the time to maturity of bonds.
2. Financing Transaction in the form of Sell and Buy Back is suitable for customers who want to invest in short term and receive consistent returns.

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. As well as opening an Introducing Broker Agent or an investor name advisor to a the Securities Company.

Trading Conditions of Derivative Market in 2019

In 2019, the SET50 Index increased from 1,044.92 points and closed at 1,068.50 points at the end of the year, rose by 23.58 points or 2.26%. The index movement fluctuated in both positive and negative territories throughout the year, yet it was still in the same direction as the foreign markets in the same region. It was mostly affected by foreign factors, such as trade agreements between the United States and China, decision on the financial policy with the interest rate cut of the Federal Reserve System for three times last year, the decline in global oil prices, and domestic factors, i.e., underestimated GDP growth figures and the shrinking domestic real estate market due to the decreasing demand of foreign investors and the impact of measures from the Bank of Thailand, including concerns about new land and buildings taxes to be effective in 2020.

The global gold market, which was the underlying asset in Thai derivatives market, also improved in 2019. The global gold price at the end of the year stood at \$1,517.18/oz, increased by \$234.99/oz or 18.33% from \$1,282.19/oz in the previous year. It received the positive factors from the interest rate cut based on Fed's policy for 3 times and the conflict between the US and Iran at the end of the previous year.

Throughout the year 2019, the trading volume of Thai derivatives consisted of the total futures trading of 102,844,672 contracts, decreased by 0.65% from 2018, and the total options trading of 1,677,323 contracts, increase by 23.10% from 2018. The top 3 popular products in Thai derivatives market in year 2018 were as follows;

1. Single Stock Futures had the trading volume total of 52,098,173 contracts, representing 50.66% of the total futures trading.
2. SET50 Index Futures had the trading volume total of 42,450,175 contracts, representing 41.28% of the total futures trading.
3. Metal Futures (such as, Gold Futures 50 Baht, Gold Futures 10 Baht, Gold Online, excluding Gold-D) had the trading volume throughout the year 2019 in a total of 7,535,542 contracts, equivalent to 7.33%.

Trend of Business of Derivatives Market in 2020

- Block Trade is still the trading service in TFEX market that continues growing, especially Block Trade in Single Stock Futures with 111 underlying stocks, which increased by 14 underlying stocks from 2018. Although the trading volume of Single Stock Futures has not increased from 2018, the Block Trade market is the product that retail investors are interested in increasingly because the ratio of Single Stock Futures draws more customers who used to use credit balance accounts in the stock market into TFEX market. However, previously Block Trade transactions had severe competition in prices, trading fees, and interest rates collected from customers. The FI Club has issued the policy on Block Trade's interest rates to be at the same level in order to prevent competition in interest rates. However, the Club still allows the competition in fees.

- Robot Trading and Algo Trading - Artificial intelligence technology and automated trading systems have been existed in foreign markets for a long time. In Thailand, this type of orders has increased significantly. Even the largest trading system service provider in the market, such as SETTRADE, develops products to support the needs of customers for this type of service. Many service providers invest in artificial intelligence systems to increase investment potential for customers. It is also one of the tools representing the advanced technology and there are still many gaps for the growth in Thai market. With the introduction of robot and AI technology, investors can reduce the time spent on trading screens. It can also solve the big problems of most investors that are often unable to invest as planned due to the investment based on emotion. It is an alternative for investors who are not yet successful in TFEX market to use it as a substitute for self-trading decisions.
- Business of Introducing Agents — A person or a group of person who introduces the list of new investors interested in opening a security or derivative trading account to securities companies. Such person or a group of person will receive returns from the securities company as a commission for introducing the list of customer once those customers start making a transaction with the securities company. It is also the channel for many brokers to become more competitive. It has a clear tendency to grow as it is able to expand a wider customer base.
- The price war of trading fee is still intense. Although some securities companies begin to increase their strengths in order not to avoid the price war, securities companies in the type of Discount Broker, including newly opened securities companies, still attempt to seize market shares by reducing trading fees. As a result, the business of securities and derivatives brokerage will not grow in the same proportion as the increasing trading volume. Eventually, some brokers had to close down or merge with other brokers to reduce costs under the severe price war in 2019.
- Regarding the addition of more products in TFEX market, it is expected that, in 2020, the Company will expand the trading hours of certain products. Starting from gold futures, the trading hours will be extended to 3:00 PM. Currently, the Company is studying the feasibility of extending the trading hours of SET50 Index Futures to 3:00 PM as well. In addition, TFEX plans to increase derivatives in the type of Single Stock Options and other types of futures, such as foreign index futures, other commodity futures, and gold options, etc.

Factors required attention in 2020

1. Unrest in the Middle East, especially the US military and Iranian government
2. Issue on China—United States trade war even though the first phase of the trade agreement has been signed
3. Low interest rate policy of central banks around the world that causes a huge amount of working capital to still be in risk-weighted asset
4. Fluctuations of the risk-weighted asset value, such as global stock markets and global oil prices, including the fragile conditions of the bond market in case of the uptrend of interest rates
5. Economic trends in Thailand, especially the real estate market that has the potential recession if various measures from the government sector are still the obstacles
6. Domestic droughts in 2020

11. Structured Note

The Securities Company obtained permit from the Securities Exchange Commission (SEC) to issue short-term structured note on December 4, 2018. The short-term structured note cover bull, bear and narrow-range volatility market conditions.

The short-term structured note consist of debentures and derivatives with term of less than 270 days. The return on investment is based on pre-specified variable. Hence, structured note serve as investment alternative for all market conditions. Moreover, the structure debentures which the Securities Company offers are linked to various derivatives. For investors, this provides broader opportunity to reap returns and flexibility in choosing the types of linked securities, the term and amount of investment.

12. Wealth Management

The Securities Company has expanded the business of wealth management by giving advices and suggestions on investment in order to meet investment requirements of each customer, both individual and juristic person customers, based on the changing financial market conditions. The Securities Company has selected professional and experienced investment advisors to introduce financial products of the Securities Companies, such as mutual funds, bonds, structured debentures, etc.

Capital One Partners Co.,Ltd.

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

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. 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 2019, 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.

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 1,715.13 million Baht in 2017, 1,507.92 million Baht in 2018 and 1,194.46 million Baht in 2019. 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 fixed income products underwrite & arrangement, fees income from bond trading in secondary, structured note business and wealth management business.

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. In 2019 the Securities Company is increasing a number of marketing personnel, developing employees, services and information technology. Additionally, the Securities Companies have expanded their businesses that are not income from commission, such as securities borrowing and lending (SBL), fees income from fixed income products underwrite & arrangement, fees income from bond trading in secondary, structured note business and wealth management business 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 2019 Globlex Securities had classified as doubtful accounts 66.58 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.

3. Management Risk

Risks from major shareholders.

As of December 31, 2019, 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.

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 Capital One Partners 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 2019, The Company has suspended the dividend due to the Company presented loss from the operating results for the year 2018.

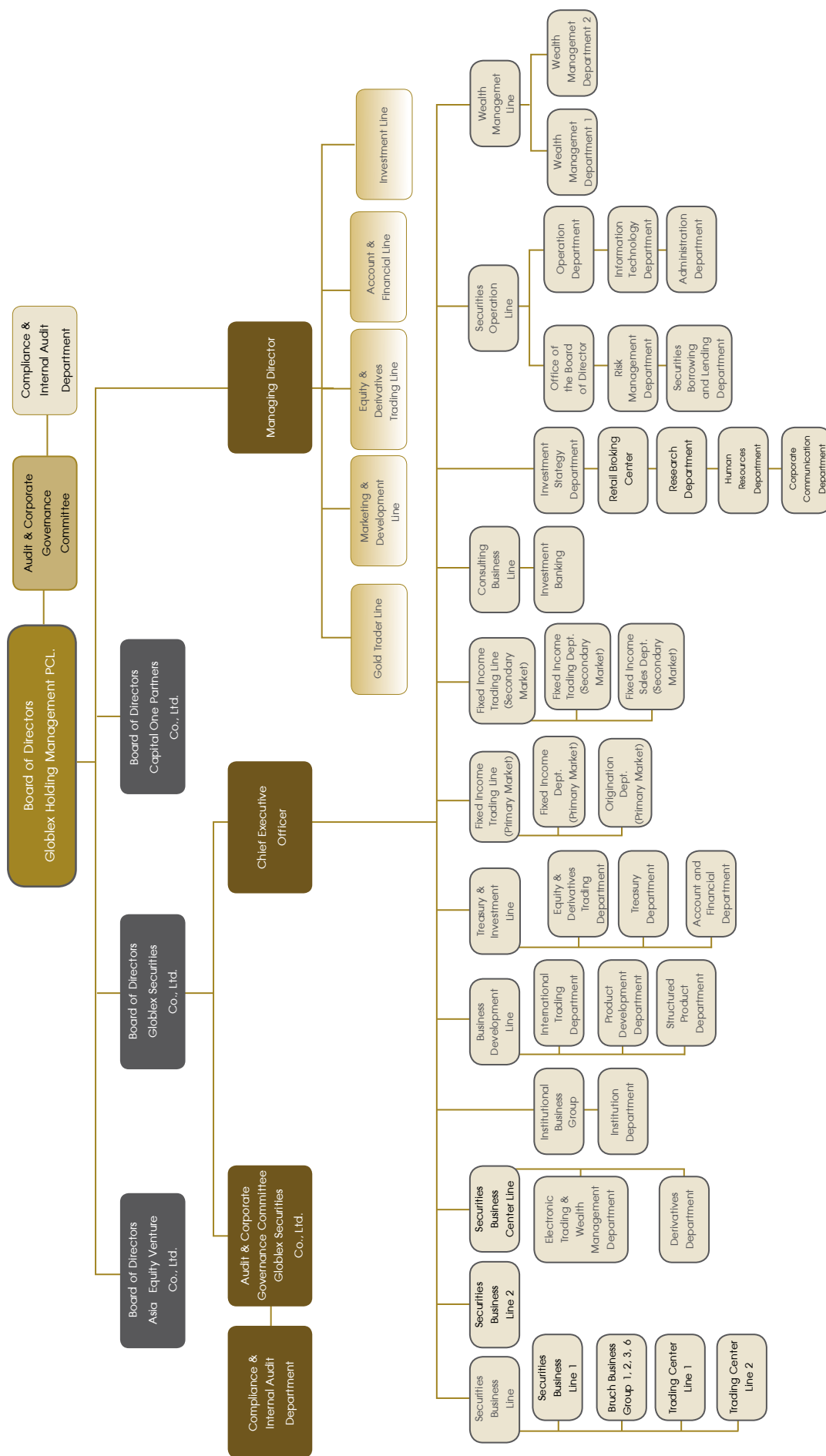
Dividend payment 2015 - 2019

	2015	2016	2017	2018	2019
Dividend payment per share (Baht/Share)	No payment	0.02	0.03	No payment	No payment
% of the net profit	No payment	193.09	82.58	No payment	No payment

MANAGEMENT ORGANIZATION CHART

As of December 31, 2019

Organization Chart of Globlex Group



MANAGEMENT STRUCTURE

As of December 31, 2019, there are Board of Directors, Audit and Corporate Governance Committee, Compensation Committee, Nomination Committee and others sub-committees including the Management as following:

1. Board of Directors

As of December 31, 2019, 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 director, Independent Director.
11. Consider and appoint management executives such the president, managing director of the Company and subsidiaries.
12. Appoint the various Operational Committees for management, operations, investment functions, and specify the duties / responsibilities.
13. 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.
14. Approve using the Company / subsidiaries' assets as collateral which expose such assets to contractual obligations.
15. 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.
16. 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, 2019 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, 2019, the Compensation Committee comprises of 4 members as follows:

Name		Position
1. Mr. Oran	Koohapremkit	Chairman of Compensation Committee
2. Miss Vilailuck	Skulpakdee	Member of Compensation Committee
3. Mr. Suthep	Pongpitak	Member of Compensation Committee
4. Mr. Suporn	Thammaraks	Member of Compensation 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. Nomination Committee

As at December 31, 2019 the Nomianction Committee comprises of 3 members as follows:

Name		Position
1. Miss Vilailuck	Skulpakdee	Chairman of Nomianction Committee
2. Mr. Suthep	Pongpitak	Member of Nomianction Committee
3. Mr. Suporn	Thammaraks	Member of Nomianction Committee

Scope of Duties and Responsibilities of Nomination 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, 2019, the Management Committee comprised of 3 members as follows:

Name		Position
1. Mr. Oran	Koohapremkit	Chairman of the Board
2. Mr. Tharaphut	Kuhapremkit	Managing Director
3. Mr. Sumrit	Aunjiththam	First Vice President of Accounting and Finance Department

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, 2019, the Investment Committee comprises of 4 members as follows

Name		Position
1. Mr. Tharaphut	Kuhapremkit	Managing Director
2. Mr. Sumrit	Aunjiththam	First Vice President of Accounting and Finance Department
3. Mr. Noppadon	Sakulwattana	Deputy 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, 2019, 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	Deputy 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, 2019, 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	Junsangaram	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, 2019, 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. Rachapoom	Sittidech	Vice President of Investment Department
5. Mr. Noppadon	Sakulwam	Deputy Vice President of Accounting and Finance Department
6. Miss Paradee	Tuangkitkool	Manager of Gold Trade 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 Aunjitttham 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.

11. The person taking the highest responsibility in finance and accounting and The person supervising accounting

The Company has appointed Mr. Sumrit Aunjitttham as the person taking the highest responsibility in finance and accounting and Mr. Noppadon Sakulwattana as the person supervising accounting.

NOMINATION OF DIRECTOR AND MANAGEMENT

Nomination of Director

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 2019, 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 2019 was 1,205,000 Baht and 5 directors during 2018 was 935,000 Baht respectively in form of meeting allowance and director bonus as follows.

Name-Surname			Position	2017	2018	2019
1.	Mr. Oran	Koohapremkit	Chairman of the Board	640,000	560,000	720,000
2.	Miss Vilailuck	Skulpakdee	Chairman of Audit Committee and Independent Director	225,000	175,000	225,000
3.	Mr. Suthep	Pongpitak	Audit Committee and Independent Director	190,000	80,000	100,000
4.	Mr. Suporn	Thammaraks	Audit Committee and Independent Director	210,000	120,000	160,000
5.	Mr. Tharaphut	Kuhapremkit	Director and Managing Director	-	-	-
Total				1,265,000	935,000	1,205,000

2. Managements

The compensation paid to 6 managements during 2019 and 6 managements during 2018 was 8,346,375 Baht and 9,026,036 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 2019, the remuneration paid to 6 directors was 730,000 Baht . The remuneration paid to 4 directors was 640,000 Baht during 2018, in form of meeting allowance, as follows.

Name-Surname	Position	2017	2018	2019
1 Mr. Keeratipong Kuhapremkit	Chairman of the Board	400,000	300,000	400,000
2. Mr. Virojn Srethapramotaya ⁽²⁾	Chairman of Audit Committee and Independent Director	170,000	200,000	75,000
3. Mr. Tanadit Charoenchan ⁽²⁾	Chairman of Audit Committee and Independent Director	-	-	75,000
4. Mr. Praserd Teeranakanat ⁽¹⁾	Audit Committee and Independent Director	140,000	-	-
4. Mr. Opas Chunhasopark ⁽¹⁾	Audit Committee and Independent Director	-	20,000	-
5. Pol.Maj.Gen. Wichai Songborassamee ⁽¹⁾	Audit Committee and Independent Director	-	120,000	180,000
6. Mr. Thanapisal Koohapremkit	Director and CEO	-	-	-
7. Miss Prathana Makkriangkrai	Director and COO	-	-	-
Total		710,000	640,000	730,000

Note : ⁽¹⁾ Mr. Praserd Teeranakanat resigned from Audit Committee and Independent Director on October 1, 2017 and Mr. Opas Chunhasopark was appointed as the replacement, effective from December 13, 2017 and resigned from Audit Committee and Independent Director on February 21, 2018. Pol.Maj.Gen. Wichai Songborassamee was appointed as the replacement, effective from February 21, 2018 onwards.

⁽²⁾ Mr. Viroj Srethapramotaya resigned from Chairman of Audit Committee and Independent Director on April 24, 2017 and Mr.Tanadit Charoenchan was appointed as the replacement, effective from July 11, 2019 onwards.

2. Managements

During 2019, the total compensation of 23,568,335 Baht was paid to 7 managements and 23,810,926 Baht was paid to 7 managment in 2018 in form of salary, bonus, insurance premium, social security fund and provident fund.

Corporate Governance

The Company operates its business with the Corporate Governance Code (CG Code) for listed company and business code of conduct, entrenching transparency, efficiency in our operations and brings confidence in shareholders. According to the Corporate Governance Code (CG Code) adopted by the Board of Directors recognizes. The Board of Directors is aware of the responsibility as a leader to supervise the Company and its subsidiaries for good management as competitive and sustainable results in the long term profitability, responsibility toward all groups of stakeholders and creation of benefits to overall society.

For certain operations which good corporate principles have yet to be adopted, the company will make appropriate adjustments accordingly, as follows:

Pending matters	Reasons
1. The Board of Directors Chairman is an Independent director	Chairman of the Borad of Directors is not the same personas the Chief Executive Offer an the job duties of the of directors and the management are clearly segregated
2. The Board of Directors should specify that term of independent director is continuous and not over to 9 years	The Board of Directors did not specify the tenure for the independent directors and directors as they have experience knowledge, capabilities and good understanding of the Company's business operations from the continuity of Tenure as directors of the Company

The Company's practices in compliance with good corporate governance principles in 2019 are summarized as follows:

Corporate Governance Policy

The Board of Directors has adopted the Corporate Governance Code 2017 of the Securities and Exchange Commission which comprises of good corporate governance principles and accepted practices. The Company's Board of Directors meeting No. 1/2020 on January 16, 2020 has reviewed and divided the Company's corporate governance code (CG code) into the following 8 sections:

Principle 1 : Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors is aware of the role and responsibilities in ensuring the Company operate according to the good corporate governance principles in its strive to achieve corporate objectives and goals according to management policies, strategies, corporate resources, evaluation and reporting of operations results.

The Board of Directors' task is to steer the Company to achieve the desired corporate governance outcome, create higher sustainable value for the long-term, boost competitiveness, ensure adaptability to changing business environment, promote integrity among managerial executives / staffs, and ethical business practice, protect shareholders best interest, support social causes and preservation of environment.

The Board of Directors is responsible for ensuring that Company's management perform their duties cautiously, ethically and with integrity in accordance to company's rules, shareholders' resolutions, Securities Act, and laws requiring listed firms to report related transactions involving individuals, sources / sales of assets and dividend payments.

The Board of Directors has specified the scope of responsibilities of directors / executives, and monitor to ensure they fulfill the assigned tasks.

Principle 2 : Define Objectives that Promote Sustainable Value Creation

The Board of Directors has defined the objectives to promote sustainable value creation for the Company, shareholders, clients, society and the environment. The desired objectives and goals are in line with the Company's resources, capabilities, competitiveness, business environment, various change factors and current technologies. The Board of Directors has communicated its vision and mission to ensure the employees strive to achieve the same goals.

The Board of Directors has prepared operations plans and business strategies to support the Company's vision and mission and in accordance to economic / business environment and risk factors which may adversely impact shareholders, society and the environment. In addition, the Board of Directors also encourages review of business objectives and goals for the mid-term period covering 3 to 5 years.

The Board of Directors has assigned a work unit responsible for effective allocation of resources, operations monitoring, evaluation of annual work plans and strategies.

Principle 3 : Strengthen Board Effectiveness

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 disclosed 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.

Board of Directors' structure

The Company's 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 independent director 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. The term of independent directors not exceeding 9 years. 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 nomination of directors is conducted through the nominating process handled by the nomination 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 5 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 the Company. Any director who must hold a director post in more than 5 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 Company discloses information of each directors and executives for the shareholders in the Company's annual report and the information form (56-1)

In 2019, no independent directors in the Board of Directors over 9 years, no the directors or senior management a former employee or partner of the current external auditor in the past 2 years, no independent directors in the Board of Directors who serve on more than five boards of publicly-listed companies and no executive directors in the Board of Directors who serve on more than two boards of publicly- listed companies outside of the group.

As at December 31, 2019 and 2018, the Company had three independent directors out of 5 directors , who are not engaged in the Company's management, or accounted for 60% of all, constituting a proper balance of power.

	Year 2019	Year 2018
- Executiev Director	1	1
- Director who is a representative of ultimate shareholder	1	1
- Independent Director	3	3
- Non-executive Director	-	-
Total	5	5

As at December 31, 2019 and 2018, 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 secretary assigned to advice Board of Director 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.

Sub Committee

The Company can also establish sub committees assigned to assist in screening, or study various issues to help the effectiveness and productivity of the Board of Directors. Currently, the Company has sub committees consists of: compensation committee, nomination committee, management committee, investment committee, operation commission and risk Management committee.

Board of Directors' roles, duties and responsibilities

The Company's Board of Directors have a responsibility to the shareholders in attaining the business objectives, generate maximum benefits for the shareholders, preserve benefits of all vested parties, within the good corporate governance and business ethics framework while

The Company's Board of Directors must ensure compliance to applicable laws / regulations (e.g. Thai Stock Exchange, Securities Exchange Commission) and objectives, Company's mandates and shareholders' resolution. The board of directors must work with honesty and preserving the shareholders' best interest for the short and long-term.

Board of Directors' Meeting

The Company's Board of Directors meeting is scheduled at least once a quarter. The board members are notified in advance of the meeting date so they can allocate time for the board meeting. The Board of Director Chairman will run the meeting which every board member should attend every time. The board 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 will hinge on the majority votes of the board 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 2019, the Board of Directors' meeting 9 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	9/9
2.	Miss Vilailuck Skulpakdee	Chairman of the Audit Committee and Independent Director	9/9
3.	Mr. Suthep Pongpitak	Audit Committee and Independent Director	5/9
4.	Mr. Suporn Thammaraks	Audit Committee and Independent Director	8/9
5.	Mr. Tharaphut Kuhapremkit	Director and Managing Director	8/9

In 2019, the Audit Committee held 9 meetings. The number of meetings attendance of each director was held as follows:

Name List		Position	No. of meetings attended/Held
1.	Miss Vilailuck Skulpakdee	Chairman of the Audit Committee and Independent Director	9/9
2.	Mr. Suthep Pongpitak	Audit Committee and Independent Director	5/9
3.	Mr. Suporn Thammaraks	Audit Committee and Independent Director	8/9

Board of Directors' self-assessment

The Company is required to evaluate the performance of the Board of Directors by group assessment and self-assessment at least 1 time per year. 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 group assessment and self-assessment guidelines are adapted from the Stock Exchange of Thailand's model to fit the Company's needs. The topic of the evaluation of the Board of Directors (the group assessment) comprise performance of the Board, understanding the business, risk management and internal control, conflict of interest, follow up on financial reports and operating results, reviewing the operation, troubleshooting, relationship with management. The topic of the evaluation of Board of Directors' self-assessment comprise Structure and Qualifications of the Board, Board Meeting, roles duties and responsibilities of the Board.

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, No. 1/2020, held on January 16, 2020 - each director filled out a group assessment form for the year 2019. 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. The individual committee's self-assessment concludes that each director is well-versed in the structure, qualifications, roles and responsibilities of the Board.

Compensation of Directors

Compensation committee shall scrutinized consider, and propose the compensation of Executive Directors and Non-executive Directors to the Board of Directors for forwarding it for consideration and approval by the Shareholders of the Company.

Directors' compensation of Executive Directors and Non-executive Directors 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.

In 2019, the Company disclosed directors' compensation of Executive Directors and Non-executive Directors on an individual basis.

Conflict of Interest

Conflict of interest may arise from related party 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 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)

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 and discloser business code of conduct and compliance manual for employees on the Company's website.

Development of Directors

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. In 2019, the directors attended the seminar and were lecturer as follows:

1. Mr. Suthep Ponhpitak, Audit Committee and independent director was the lecturer as follows :
 - Topic " TAX MAPPING " by Dhamniti Seminar and Training Co.,Ltd.
 - Topic " SMART MANAGER" by Dhamniti Seminar and Training Co.,Ltd.
 - Topic " LEARNING CODE OF REVENUE WITH ACCOUNTANTS " by Federation of Accounting Professions
 - Topic "CORPORATE INCOME TAX PLANNING" by The University of the Thai Chamber of Commerce
 - Topic "THE WHOLE SYSTEM TAX RELATED TO THE SELL PROMOTION" by NYC Management Co.,Ltd.

Principle 4 : Ensure Effective CEO and People Management

The Board of Directors place emphasis on recruiting and appointing an experienced and competent CEO who will lead the management team to ensure the Company achieve its business goals. Recruitment of the CEO and other personnel will be in accordance to the Company's wage and compensation structure, performance evaluation and personnel development system.

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.

Nomination of CEO and Management

The Board of Directors has assigned the nomination committee and compensation committee to consider the criteria and procedures for recruiting qualified persons for CEO and management positions 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.

Assessment of CEO and Management

The Company's Board of Directors evaluates the job performance of CEO and management 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 use the evaluation results to set the appropriate remuneration for the executives.

In the Board of Directors Meeting No. 1/2020 on 16 January 2020, each director has completed the performance evaluation form of CEO for the year 2019.

Compensation of CEO and Management

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

Development of CEO and Management

The Company's Board of Directors' policy is to regularly develop the work skills and knowledge of CEO and management to ensure their optimal job performance. In 2019, Mr. Tharaphut Kuhapremkit, Director and Managing Director, attended the training as follows:

- Seminar topic "Challenge and issue in financial reporting for going public companies" By : IB Club

Transition of CEO and Management Posts

The Company's Board of Directors has set plan to facilitate the transition of high ranking CEO and management 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.

Principle 5 : Nurture Innovation and Responsible Business

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.

Policy of Treatment of Stakeholders

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 labor 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 labor laws and appropriateness. In line with the Company's performance in the short and long term. The Provident Fund is also available for employees.

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

In 2019, The Company's subsidiaries organized seminar to enhance employees' knowledge development totaling 15 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 it 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's 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 No.11/2013 on November 12, 2013.

Anti-money laundering and counter-terrorist financing measures :

The Company's policy is to fully support the Thai government's anti-money laundering and counter-terrorist financing measures. This is to avoid being used as a tool by criminals engaging in unlawful financial transactions and to protect the company's reputation and to avoid potential damage to the company's gold trading business, in accordance to Article 16 (2) and Article 16 (5) for previous traders of the Anti-Money Laundering Act, B.E. 2542; and under the supervision of the Anti-Money Laundering Office (AMLO). This policy became effective after approval by Company's Board of Directors following a meeting (6/2017) on August 10, 2017 and review this policy approval by Company's Board of Directors following a meeting No. 2/2019 on February 26, 2019

The compensatory measure to redress damage caused to stakeholders in the event

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.

Principle 6 : Strengthen Effective Risk Management and Internal Control

The Board of Directors ensures the Company has effective risk management and internal controls system in place to help achieve its objectives efficiently in compliance to widely accepted standards.

Internal controls and risk management

The Board of Directors sees the importance in having comprehensive internal controls to regulate financial and operations in compliance with applicable rules/regulations and laws. In addition, effective risk management and audit system are necessary to provide protect the Company's assets and monitor the activities of executives and employees. The Compliance and Internal Audit Department which operates independently and reports directly to the audit committee, is responsible for inspecting the activities / transactions of every division, including supporting units and reviewing / updating the internal controls system to ensure it is adequate and effective in keeping the Company's operations in compliance with applicable rules/ regulations and laws.

The Company established an audit committee to ensure the Company's operations are conducted according to the company's policies on internal controls, risk management, fraud / corruption, conflict of interest, connected transactions, as well as applicable rules, regulations and laws.

In 2019, Miss Ratchanee Chunratanachai is the head of Compliance and Internal Audit Department of the Company and subsidiaries.

Audit Committee

The audit committee is a part of the Board of Directors. The audit committee consists of at least 3 independent directors. The formation of audit 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. At least one member of the Audit Committee is knowledgeable in accounting / finance. In addition, at least two of the Audit Committee members are resident in Thailand.

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 stock holding and changes to stock 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 and the Board of Directors accordingly.

Anti-corruption:

The Company and subsidiaries will strive to operate its businesses with integrity, fairness and social responsibility, adherence to good corporate governance and support for anti-corruption efforts. The Company and subsidiaries are aware of the negative impacts corruption has on the country's reputation economic/social development and unfair business practices. In 2012 the Company has announced its intention to enroll as a member of the Anti-Corruption Organization of Thailand (ACT) which represents the private sector's efforts to comply with the international anti-corruption guidelines. The main principle of the anti-corruption policy is not to support individuals / groups which do not deserve to directly, or indirectly reap benefits through abuse of authority. The Company and subsidiaries have established anti-corruption guidelines and policy for its directors, executives and all employees to strictly adhere to, as well as monitoring / regulatory measures to ensure strict compliance.

Corruption

Corruption pertains to the abuse of authority, or illegal act by state officials, or private firms' employees in order to obtain undeserving benefits (contracts, assets, money, promises, etc.), including direct / indirect offering, or accepting bribes of all forms which are inconsistent with the Company and subsidiaries' anti-corruption policy.

Anti-corruption policy

All directors, executives and employees of the Company and subsidiaries must not be involved directly, indirectly in all forms of corruption for the benefit of the organization, themselves, relatives, friends, family members, acquaintances. This covers business activities on behalf of the Company and subsidiaries in very country, all related agencies, business partners, consultants, brokers, or representatives. Compliance with the anti-corruption guidelines and policy will be regularly monitored and evaluated to ensure that effectiveness amid the changing business environment, rules, regulations and related laws. The Company and subsidiaries will punish those who failed to comply with, or violated the anti-corruption policy in accordance to the company's rules / regulations.

Duties and responsibilities

1. The Company's Board of Directors has the duty and responsibility to specify and approve the anti-corruption policy and establish measures to support effective anti-corruption efforts.
2. The audit and good governance committee has the responsibility to ensure the Company and subsidiaries' operations comply with the company and subsidiaries' internal control system and anti-corruption policy.
3. The management has the duty and responsibility to implement measures to promote and to support the anti-corruption efforts, as well as system to monitor compliance by all employees and related parties.
4. The internal audit division has the duty and responsibility to inspect and review that all aspects of the company's operations comply with the policies, operations process / procedures and related rules, regulations, laws to ensure the internal control system are effective and adequate to deal with the potential fraud and corruption activities. The internal audit and good governance committee will be kept informed periodically via reports prepared by the internal audit division.

Operating guidelines

The Company and subsidiaries require that the directors, executives and employees be cautious in the following potential forms of corrupt activities:

1. The Company and subsidiaries' directors, executives and employees must comply with the Company's policy on fraud and anti-corruption activities and must not be involved in such activities, both directly and indirectly.
2. Employees must not neglect, or ignore fraudulent or corrupt activities related to the Company. They must promptly notify their supervisor, and / or person in charge and be cooperative in any investigation which may follow. Any questions can be directed to the supervisor and / or person in charge handling the Company's anti-corruption issues.
3. Political contributions
The Company and subsidiaries' take a neutral political stance, all business decisions and operations are free of political influence. There is no policy to offer political contributions (money, or assets) to politicians, political parties, or factions, directly, or indirectly. Company's directors, executives and employees have the rights to participate in political activities as allowed by the constitution and related laws.
4. Charity donations and contributions
The Company and subsidiaries' policy on cash / assets donations, contributions, such as educational scholarships, donating personal computers to schools and temples, accepting students in trainee work program and cash donations in vents such as natural disasters. Such donations / contributions must not be related to fraud, or corruption schemes.
5. Payment for receptions and acceptance of gifts
The Company and subsidiaries' policy on hosting receptions and acceptance of gifts which are considered acceptable, pertains to normal service provided to clients and / or seasonal traditional events (e.g. Christmas, New Year) and not those related to attempts to gain unfair edge, or in exchange for certain rights, assistance, or benefits which may, or may not be clear apparent. The payment for receptions and acceptance of gifts must be done in accordance to the Company's rules / regulations, and must not be in conflict with the mandates of the internal audit division, or related laws, and must not adverse affect the work operations, or lead to potential risk of fraud, or corruption.
6. Supervision, protect and risk monitoring
The Company and subsidiaries has set up procedures for supervision, protect and risk monitoring by internal audit department to cover potential fraud/corruption activities in the areas of accounting, finance, data records/data storage and other related processes, including evaluation of the adequacy of the internal control system and periodic reports to the Audit and Corporate Governance Committee.
7. Follow-up, review and risks evaluation
The Company and subsidiaries will evaluate the potential risk exposures pertaining to fraud and corruption in various business activities which the Company and subsidiaries engage in. The company has a system to monitor and evaluate the effectiveness of the risk management system at least once every year, including review of risk management measures to ensure that they are adequate and effective and report the findings / results to the Audit and Corporate Governance Committee.
8. Training session and communication
The Company and subsidiaries expects all directors, executives and employees to participate in regular seminars on various potential frauds and anti-corruption activities, in order to be cautious and to avoid being involved in such activities. This also includes the duty to report any fraudulent / corrupt activities to the supervisors, or those in charge. Newly-hired employees will have attend such seminars as part of their orientation program. In addition, the Company will post latest updates on anti-corruption policy and measures on The Company and subsidiaries' website.

9. Filing of notifications and complaints

Any director, executive and employee who witnessed fraudulent, or corrupt activities committed by other directors, executive, or employee may report it in either oral / written form via the following channels:

- By telephone : Globlex Holding Management Plc, Tel. 02-6725995
Globlex Securities Co., Ltd. Tel. 2-6725999
- By fax : Globlex Holding Management Plc, Tel. 02-6725996
Globlex Securities Co., Ltd. Tel. 02-67258888
- E-mail : hrl@globlex.co.th
- Website : Globlex Holding Management Plc. www.globlexholding.co.th
Globlex Securities Co., Ltd. www.globlex.co.th
- Letter : Globlex Holding Management Plc. or
Globlex Securities Co., Ltd.
87/2 CRC Tower, All Seasons Place 12th Floor
Wireless Road, Lumpini, Pathumwan, Bangkok 10330
- Complaints may be file with the following persons:
 1. Chairman of the Board of directors,
 2. Chairman of the internal audit and good governance committee,
 3. The chief executive officer or Managing director

The Company and subsidiaries will maintain confidentiality of the information and will use the information for management and internal control purpose. The informant, complainant will receive full attention and protection from inappropriate use of authority, threats, or retaliation from others. However, if the informant complainant provide false information to cause damage, misunderstanding, or tarnish the reputation of others, the Company and subsidiaries will take action accordingly as deemed appropriate.

10. Violation of the Company's policy

The Company and subsidiaries will take disciplinary actions against directors, executives and employees who violated the Company's anti-corruption which may include expulsion and / or cease of employment. Excuse such as not being aware of the Company's anti-corruption policy and / or related rules / regulations cannot be used to relieve the violator's duty to comply with the Company's policy.

The anti-corruption policy has been approved by the Company's Board of Directors at the Board of Directors' meeting (11/2556) on November 12, 2012. In 2019, the Company and subsidiary - Globlex Securities Co., Ltd. has been renewed 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.

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 interested 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.

Principle 7 : Ensure Disclosure and Financial Integrity

The Board of Directors has specified the policy on company's information disclosures which must be accurate, complete, timely and transparent. Such reliable financial and non-financial information must be available through channels which can be accessed conveniently and equitably. Apart from the disclosure of information via The Stock Exchange of Thailand's Form 56-1 information disclosure form and the annual financial report, the company has established a Thai / English website with updated information for investors and the general public to who may need comprehensive information to base their decisions on.

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.

Disclosure of significant financial and non-financial information

1. Reporting on the Board of Directors' responsibility for financial statements.
2. Disclosure financial statements, annual report, Form 56-1 reflect financial status and performance accurately and fairly. The inclusion of the management discussion and analysis (MD&A).
3. The results of the assessment of the adequacy of the internal control system.
4. The audit committee's opinion on the financial. The auditor's opinion on the financial statements and the auditor's remarks.
5. Disclosure of directors, subcommittees, executives and the history of each of them.
6. Disclosure of policy on remuneration of directors and executives.
7. The disclosure of the structure of shareholders.
8. The disclosure of shares held, directly and indirectly, in the Company by directors and executives.
9. The disclosure of transactions having a conflict of interest(s).
10. 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.
11. The disclosure of policies on confidentiality and insider trading including the control of communication of information/messages between departments (Chinese wall).

Adequacy of financial liquidity and leverage position.

The Board of Directors requires the management to regularly monitor and report the Company's financial status in order that they can work together to promptly resolve any problems which arise, especially with regards to financial liquidity and ability to repay debts (leverage position), including approval of transactions which may interrupt the company's daily operations, liquidity and leverage position. Should the company encounter liquidity, or leverage problem, the board of directors will help alleviate and resolve the problem in a fair and reasonable manner to all parties concerned.

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 , 026725996
- 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 has compliance and internal audit department, issue of notices / announcements and rules / regulations, including participation with other divisions to form a set of operations procedures, rules / regulations for the Securities Company's staffs to correctly and effectively follow according to the Securities Company's compliance and internal department. The compliance and internal audit department will monitor the Company's staffs to ensure strict compliance and review if the Securities Company's internal controls system is adequate and effective to deal with potential risks related to operational mistakes caused by staffs. In addition, to inspection and review the compliance and internal audit department also improve and update the Securities Company's audit / internal controls system to keep up with current operations, as well as penalize staffs who violate the Securities Company's internal control rules / regulations in accordance to specified penalties. The compliance and internal audit department is also involved in the issuance of new notices / announcements, communicating with staffs, provide training for staffs to ensure they are informed about applicable rules / regulations which they must strictly follow. The compliance and internal audit department directly reports to the audit committee every month pertaining to policies, procedures in managing the operations of staffs, especially the use / disclosure of internal information for personal benefits as follows: segregation

1. Set up separate area for division with stores vital internal information (not for public disclosure) from other securities trading operations units / division, such as investment banking, securities research / analysis and the securities company's investment unit / division, including segregation of area between the company and other related company / companies.

2. Set measures to prevent unauthorized disclosures of company's internal information, by
 - Segregate marketing staffs from operations / support division staffs
 - Require passwords to access various work process systems related to storing of company's confidential information
 - Marketing staffs should only have access to customers of their unit / team only
3. Written approval from the supervisor in charge is required to obtain information from other unit / department
4. Staffs, spouses of staffs and their non-adult children must open securities trading accounts only with the company, approved by their supervisors similar to procedures applicable to general clients, which the Compliance Unit must be notified accordingly. Instructions must be submitted only through the officers specified by the securities company and in compliance to the same procedures for general clients.
5. Specify the list of securities (Restricted List and Watch List) which company's directors, staffs cannot trade on behalf of the company's trading accounts until those company's directors / staffs are no longer in the position to reap personal gain/ benefit.
6. Ensure in-depth information of clients which the company obtained through its role as securities underwriter are disclosed only among the directors of the Securities Company's investment banking unit.

Rules on trading of related companies' securities

The objective is to set up a system to regulate trading of related companies' securities by company directors and staffs to prevent potential conflict of interest through use of confidential information to trade securities, or insider trading.

Securities of related companies are securities listed / registered with the Stock Exchange of Thailand belonging to companies which are connected to Globlex Securities Co., Ltd., such as companies with same group of shareholders, major business partners, subsidiaries, affiliated companies, or joint-venture firms.

People who may inappropriately use internal information refer to:

1. Company directors, management, staffs and accounting personnel of Globlex Securities Co., Ltd. and related companies, such as Globlex Holding Management Plc. and subsidiaries.
2. Spouses and non-adult children of the people mentioned in #1.

Opening of staff's securities trading account

1. Opening of a securities trading account by a staff must only done with the Securities Company
2. Staff must obtained a written approval for opening a securities trading account (same type as for general clients) from the supervisor in charge; the compliance and internal audit department on will be notified thereafter accordingly.

Executing of securities trading orders by staffs

1. Staffs must trade securities only in their names, not on behalf of others.
2. For securities trading in regular accounts, staffs must submit their trading orders to the marketing officers, or the Securities Company' authorized officers specified on the list to manage securities trading accounts of staffs.
3. For securities trading in temporary accounts, staffs must submit their trading orders to the marketing officers, or the Securities Company' authorized officers specified on the list to manage securities trading accounts of staffs.
4. The marketing staffs performing the securities trading orders for the company's staffs must send the orders according to the sequence of orders received via the telephones with voice-recording capability.

5. In event of a conflict relating to the name of a staff and a client pertaining to trading of securities, the client will receive first priority over the staff.
6. Staffs are prohibited from trading in securities before clients (i.e. front running)
7. Proceeds from sale of securities will be deposited only into the bank accounts which the company regularly deposits the employees' monthly salaries.

In addition, the Securities Company had specified in the operations rules that employees must not disclose any confidential internal news / information of the company, must prevent potential leak of confidential news / information, must not inappropriately use job position and authority for personal gain. The Securities Company will impose maximum penalty for those who fraudulently used the company's internal information, behave in manner cause damage, or tarnish of reputation for the Securities Company.

Other prohibitions comprised of not allowing directors, management, account officers, spouses, non-adult children to use the Securities Company's internal confidential news / information for personal gain, or benefit of others. This include the trading, or transfer of securities before the public disclosure of the company's and / or related companies' financial statements (from April 15 to the date of the 1st quarter financial statements report / from July 15 to the date of the 2nd quarter financial statements report / from October 15 to the date of the 3rd to the financial statements report / from February 1st to the date of the annual financial statements report). Employee who violate the prohibitions mentioned above will be subjected to applicable penalties for violation of company / related company's rules / regulations.

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

In 2019, Mr.Wonlop Vilaivaravit from Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd. as the third year auditor of the Company and subsidiaries.

Remuneration for the Auditor

1. Audit fees

In 2019, the Company paid Baht 800,000 (equal to the last year) for the audit service fee of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Total audit service fee for the Company and 3 other subsidiaries amounted to Baht 3,110,000 (excluding other out-of-pocket expenses), equal to the last year.

2. Non-audit fee

In 2019, 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 Company of director and management

The change in common shares of the Company of director and management in 2019 as follows:

Name	position	Common shares				% shareholding
		At December 31, 2018	Changes in 2019		At December 31, 2019	
			Increase	Decrease		
1. Mr. Oran Spouse and Minor child	Chairman of the Board	232,400,000	-	-	232,400,000	21.34%
2. Miss Vilailuck Spouse and Minor child	Chairman of Audit and Corporate Governance Committee and Independent Director	-	-	-	-	-
3. Mr. Suthep Spouse and Minor child	Audit and Corporate Governance Committee and Independent Director	-	-	-	-	-
4. Mr. Suporn Spouse and Minor child	Audit and Corporate Governance Committee and Independent Director	-	-	-	-	-
5. Mr. Tharaphut Spouse and Minor child	Director and Managing Director	-	-	-	-	-
6. Mr. Sumrit Spouse and Minor child	First Vice President of Accounting and Finance Department	-	-	-	-	-
7. Mr. Rachapoom Spouse and Minor child	Vice President of Investment Department	-	-	-	-	-
8. Mr. Noppadon Spouse and Minor child	Deputy Vice President of Accounting and Finance Department	-	-	-	-	-
9. Miss Paradee Spouse and Minor child	Manager of Gold Trade Department	-	-	-	-	-

Principle 8 : Ensure Engagement and Communication with 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 2019, the Company's Board of Directors related persons together holds 21.34 percent of the Company's shares with 'free float' ratio of 50.09 percent.

Encourage shareholders to exercise their rights

The Board of Directors encourage all shareholders to exercise their rights in equitably, welcome all shareholders to attend the shareholders' meeting and express their opinions / suggestions to the company's Board of Directors. The Board of Directors must not obstruct the opportunities of the shareholders to attend the shareholders' meeting.

Prior to the shareholders' meeting

At the annual general shareholders' meeting (1/2019), 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, 2018 to January 31, 2019, 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.

On the day of the shareholders' meeting

The Company provides meeting registration with barcode system and informs the method of voting 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.

The Company held the annual general shareholders' meeting (No. 1/2019) on April 24, 2019 at the Crystal Ball room, 2nd fl of Tawana Hotel on Suriwong Road, Bangrak, Bangkok. according to the resolution of the Board of Directors' Meeting held on February 26, 2019 and the record date for the right to attend the meetion on March 13, 2019. The information is disclosed to the shareholders through SET's news reporting system on the day of the resolution. In addition, the conference documents are also available in Thai and English through the Company's website www.globlexholding.co.th 40 days before the shareholders' meeting date and the invitation letter will be sent to shareholders 16 days before the shareholders' meeting. 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 (No. 1/2019) on April 24, 2019 was attended by 83 shareholders and their proxies who collectively hold 494,568,768 shares, or 45.41 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 Director and Managing Director, Mr.Tharaphut Kuhapremkit 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 2019. In addition, the Company has been assessed the quality of the AGM 2019 with score 100% held by the Thai Investors Association

After the shareholders' meeting

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 / void" 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.

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 to ensure that all shareholders receive equal information.

Attendance of the shareholders' meeting

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.

The protection of the rights of minority shareholders

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.

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.

Directors and management of the Company are required to report on the holding of securities and disclosed in the annual report.

Applying Good Corporate Governance Principles for the Company

The Board of Directors has adopted the Corporate Governance Code (CG Code) 2017 of the Securities and Exchange Commission which comprises of good corporate governance principles and accepted practices. Every year, the Board of Directors reviewed the appropriateness of the Corporate Governance to be applied to the business. The Company's Board of Directors meeting No. 1/2020 on January 16, 2020, the Board of Directors has reviewed the corporate governance policy of the Company and its subsidiaries.

Compliance with Good Corporate Governance in Other Matters

The Company has consistently followed the corporate governance principles. According to the 2019 survey results on corporate governance of Thai listed companies showed that the Company is one of those achieving excellent CG scoring. The quality of the shareholders' meeting held in 2019 by the Thai Investors Association rated 100%.

CORPORATE SOCIAL RESPONSIBILITY (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

Globlex Holding Management Plc ("The Company") and subsidiaries (Globlex Securities Co., Ltd, Capital One Partners Co., Ltd., and Asia Equity Venture Co., Ltd.) will strive to operate its businesses with integrity, fairness and social responsibility, adherence to good corporate governance and support for anti-corruption efforts. The Company and subsidiaries are aware of the negative impacts corruption has on the country's reputation economic/social development and unfair business practices. In 2012 the Company has announced its intention to enroll as a member of the Anti-Corruption Organization of Thailand (ACT) which represents the private sector's efforts to comply with the international anti-corruption guidelines. The main principle of the anti-corruption policy is not to support individuals / groups which do not deserve to directly, or indirectly reap benefits through abuse of authority. The Company and subsidiaries have established anti-corruption guidelines and policy for its directors, executives and all employees to strictly adhere to, as well as monitoring / regulatory measures to ensure strict compliance.

The anti-corruption policy has been approved by the Company's board of directors at the Board of Directors' meeting (11/2556) on November 12, 2012. 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 and certified renewal in 2019

The Company and subsidiary 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.

Operation and Reporting

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 : The Company / subsidiaries will encourage employees to regularly participate in activities in conjunction
/ society 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. In the year 2019, the Company and subsidiaries had supported employment of the disable, Department of Employment, Ministry of Labour.

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 (No. 1/2020) on January 16, 2020 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 for the year 2019. As for the Securities Company, 2 members of the Audit and Governance Committee attended the board of directors meeting (1/2020) on January 16, 20120 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 Miss Ratchanee Chunratanachai who is the head of Compliance and Internal Audit Department has performed his duties effectively and is appropriate for this job position.

Related Parties Transaction

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 2019 and 2018

The relationships with related parties are as follows:

	Type of relationship
Globlex Securities Company Limited	Subsidiaries
Capital One Partners 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)

	2019	2018	Pricing policy
Revenues from gold bar trading			
Related person	1,171,600	500,601	At the rate of the Company charge with other customers
Brokerage fee income from sell/purchase order of securities			
Related person	53	38	At announcement of subsidiary
Interest received			
Globlex Securities Co., Ltd.	259	318	At announcement rate of subsidiary
Brokerage fee expenses from sell/purchase order of securities			
Globlex Connect Co., Ltd.	4,181	2,429	Brokerage fee expenses applicable to other Customers
Brokerage fee expenses from sell/purchase order of derivatives			
Globlex Securities Co., Ltd.	5,179	5,898	Brokerage fee expenses applicable to other Customers
Securities borrowing and lending fee			
Globlex Securities Co., Ltd.	1,617	1,636	Brokerage fee expenses applicable to other Customers
Rental			
Globlex Securities Co., Ltd.	2,010	2,010	At announcement of subsidiary
Dividend incomes			
Capital One Partners Co.,Ltd.	2,642	318	At announcement of subsidiary

The outstanding balances of the significant transaction during the period ended December 31, 2019 and 2018 are as follows :-

(Unit : Thousand Baht)

	2019	2018
Other receivables		
Globlex Securities Co., Ltd.	-	6,054
Cappital One Partners Co.,Ltd.	12	-
Other liabilities		
Globlex Securities Co., Ltd.	7,120	678

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			
	2019		2018	
Revenue				
Sales Income from gold bars	82,398,224	99.42%	50,389,686	98.95%
Brokerage fees	183,618	0.22%	272,572	0.54%
Derivatives fees	48,819	0.06%	53,511	0.11%
Fees and services income	124,594	0.15%	91,897	0.18%
Interest and dividend income	39,402	0.05%	37,729	0.07%
Interest on margin loans	18,055	0.02%	22,421	0.04%
Gain(Loss) on trading in securities	36,510	0.04%	(1,388)	-0.01%
Gain(Loss) on trading derivatives	26,171	0.03%	55,448	0.11%
Other income	1,299	0.01%	759	0.01%
Total revenue	82,876,692	100.00%	50,922,635	100.00%

In 2019, the Company and subsidiaries generated Baht 82,876.69 million in total revenue, an increase of Baht 31,954.05 million, or by 62.75%. Sales of gold bars stood at Baht 82,398.22 million, or 99.42% of total revenue, increase by Baht 32,008.53 million from 2018, or by 63.52%. The global gold market in 2019 provided the positive return of \$ 234.99 / Oz, or increased by 18.33%, which was the highest return since 2010 (As of the end of the year 2018 and 2019, the global gold price stood at \$1,282.19/Oz and \$1,517.18/Oz, respectively. During the year 2019, the lowest point and the highest point of the global gold price were \$1,266/Oz and \$1,556.94/Oz, respectively.) Regarding the domestic price of gold bars with 96.50% purity, if considering the price of the Thai Gold Traders Association, the return in 2019 was only 9.39% or 1,850 Baht per baht-weight (As of the end of the year 2018 and 2019, the Association price stood at 19,700 Baht and 21,550 Baht per baht-weight, respectively. During the year 2019, the lowest point and the highest point of the gold bars with 96.50% purity were 19,150 Baht and At 21,550 Baht per baht-weight, respectively.) The domestic price of gold bar provided the positive return less than the global gold, because the exchange rate of Thai Baht to US dollar in 2019 appreciated by 2.52 Baht per US dollar or 7.81%. (At the end of the year 2018 and 2019, USD-THB exchange rate was at 32.28 Baht per US dollar and 29.76 baht per US dollar, respectively.)

Furthermore, the Company and subsidiaries also earned Baht 124.59 million income from fees and services income, an increase of Baht 32.69 million from 2018, Baht 62.68 million income from gain on trading in securities and derivatives, an increase of Baht 39.40 million from 2018, and interest and dividends Baht 39.40 million, an increase of Baht 1.67 million from 2018.

As for the Securities Company of the Company's subsidiary firm, the Stock Exchange of Thailand (SET) index as of year-end 2019 was at 1,579.84 points, rose at 15.96 points from the year before with SET and Market for Alternative Investment (MAI) combined average daily trading value in 2019 of Baht 53,192.02 million, rose by 8% from the average daily trading value in 2018 of Baht 57,673.79 million. In 2019, the Securities Company had average daily trading volume of Baht 1,194.46 million and 1.39% market share, down from the last year's average daily trading volume of Baht 1,507.92 million and market share of 1.49%. The Securities Company generated total revenue of Baht 447.50 million in 2019, a decrease of Baht 57.36 million or by 11.36% from Baht 504.86 million in 2018, which comprised of securities and derivative brokerage fees of Baht 242.56 million, or by 54.20% of total revenue, a decrease of Baht 92.94 million or by 27.70% from Baht 335.51 million in 2018. Gain on trading in securities and derivatives increased from Baht 14.10 million in 2018 to Baht 27.70 million in Baht 2019. Income from interest and dividends rose from Baht 36.11 million in 2018 to Baht 37.87 million in 2019. Income on margin loans decreased from Baht 22.42 million in 2018 to Baht 18.06 million in 2019. Income from fees and services up from Baht 93.66 million in 2018 to Baht 113.61 million in 2019.

Expenses

The Company and subsidiaries

(Unit : Thousand Baht)

Operating result	Consolidated			
	2019		2018	
Expenses				
Cost of Goods Sold	82,343,658	99.36%	50,366,844	98.91%
Personnel expenses	257,433	0.31%	280,704	0.55%
Premises and equipment expenses	65,158	0.08%	67,604	0.13%
Depreciation and amortization	9,105	0.01%	10,152	0.02%
Doutful debt	(346)	-	-	-
Fees and services expenses	73,130	0.09%	86,049	0.17%
Director's remuneration	1,935	-	1,575	0.01%
Management benefit expenses	39,511	0.05%	38,242	0.07%
Other expenses	49,143	0.06%	40,624	0.08%
Financial costs	18,272	0.02%	19,181	0.04%
Total expenses	82,856,999	99.98%	50,910,975	99.98%

In 2019, the Company and subsidiaries incurred a total of Baht 82,857.00 million in expenses, or 99.98% of total revenue, rose by 62.75%, or Baht 31,946.02 million from 2018. Most of the expenses last year were costs related to gold bars trading of Baht 82,343.66 million, or 99.36% of total revenue, rose by 63.49%, or Baht 31,976.82 million from 2018. The increasing costs of sales were in line with the increasing gold bars sales. The Company's management and operating expenses amounted to Baht 513.34 million, down by 5.667% or Baht 30.80 million in 2018, due to the lower of permises and equipment expenses, and fees and services expenses.

The Securities Company's operations expense dropped by Baht 35.92 million, or by 9.43% from Baht 380.79 million in 2018 to Baht 344.87 million in 2019. The ratio of operations expense to total revenue was 75.43% and 77.07% in 2018 and 2019 respectively. Most of the operations expense related to personnel expenses decreased by 8.16% from Baht 275.93 million in 2018 to 253.41 million in 2019. The premises and equipment expenses fell from Baht 69.70 million in 2018 to Baht 66.37 million to 2019 or decreased 4.78% and other expenses fell from Baht 34.57 million in 2018 to Baht 24.37 million to 2019 or decreased 29.51%.

Net Profit (Loss)

In 2019, operations results of the Company and subsidiaries showed net profit of Baht 17.01 million, rose by Baht 8.53 million, or by 100.59% from Baht 8.48 million in 2018, due to in 2019 the total revenue of the Company and subsidiaries increased by Baht 31,954.05 million, while the total expenses increased by Baht 31,946.02 million, the total expenses increased less than total revenue by Baht 8.03 million, resulting in up return on equity of the Company and subsidiaries increased from 0.61% in 2018 to 1.22% in 2019.

In 2019, the operations results of the Securities Company showed Baht 1.86 million net profit, down by Baht 2.38 million from Baht 4.24 million in 2018, due to the decrease of income from brokerage fees from the decrease of trading securities volume.

2. Statement to Financial Position

Total Assets

The Company and subsidiaries

(Unit : Thousand Baht)

Financial Position	Consolidated			
	2019		2018	
Current Assets				
Cash and cash equivalents	504,905	18.63%	523,620	21.42%
Current investments	819,638	30.24%	677,687	27.72%
Trades receivable and the other current account	554,480	20.46%	503,166	20.58%
Receivable from clearing house	70,091	2.59%	68,144	2.79%
Securities and derivative business receivables	547,150	20.19%	455,322	18.62%
Derivatives assets	13,093	0.48%	10,503	0.43%
Inventories - net	-	-	71	0.00%
Other current assets	1,122	0.04%	918	0.03%
Total current assets	2,510,479	92.63%	2,239,431	91.59%
Non Current Assets				
Deposits at financial institutions pledged as collateral	75,000	2.77%	75,000	3.07%
Available-for-sales investments	13,866	0.51%	17,425	0.71%
Other long-term investments	8,468	0.31%	8,057	0.33%
Leasehold improvements and equipment - net	17,254	0.64%	22,790	0.93%
Intangible assets - net	24,582	0.91%	25,964	1.06%
Deferred tax assets	1,054	0.04%	620	0.03%
Other non-current assets	59,510	2.19%	55,699	2.28%
Total non-current assets	199,734	7.37%	205,555	8.41%
Total assets	2,710,213	100.00%	2,444,986	100.00%

Liabilities and Shareholders' Equity

The Company and subsidiaries

(Unit : Thousand Baht)

Financial Position	Consolidated			
	2019		2018	
Current Liabilities				
Trade and other Current paybles	512,855	18.92%	324,496	13.27%
Payable to Clearing House	-	-	-	-
Securities and Derivatives business payables	760,293	28.05%	704,010	28.79%
Derivatives liabilities	5,899	0.22%	4,029	0.17%
Income tax payable	1,727	0.06%	1,130	0.05%
Other current liabilities	5,833	0.22%	5,716	0.23%
Total Current Liabilities	1,286,607	47.47%	1,039,381	42.51%
Non-Current Liabilities				
Employee benefit obligations	17,647	0.65%	15,154	0.63%
Total Liabilities	1,304,254	48.12%	1,054,535	43.14%
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	40.18%	1,089,076	44.54%
Premium on shares	258,702	9.55%	258,702	10.58%
Deficits arising from change in ownership interest in a subsidiary	(1,995)	-0.07%	(1,385)	-0.06%
Other components of shareholders' equity	(33,019)	-1.22%	(29,459)	-1.20%
Retained earnings (Deficit)				
- Appropriated for legal reserve	31,992	1.18%	31,992	1.31%
- Unappropriated	54,614	2.02%	38,462	1.57%
Total equity attributable to owners of the parent company	1,399,370	51.64%	1,387,388	56.74%
Non-controlling interests	6,589	0.24%	3,063	0.12%
Total Shareholders' Equity	1,405,959	51.88%	1,390,451	56.86%
Total Liabilities and Shareholders' Equity	2,710,213	100.00%	2,444,986	100.00%

Total Assets

The value of total assets held by the Company and subsidiaries, as of December 2019, was Baht 2,710.21 million, mostly comprised of Baht 504.91 million in cash/cash equivalent, Baht 554.48 million in trade and other current receivables, Baht 547.15 million in securities and derivatives business receivables, Baht 70.09 million in receivables from clearing house, Baht 819.64 million in current investments. The value of total assets up by Baht 265.22 million, or by 10.85% over 2018 from the increased of cash/cash equivalent, current investments, trade and other current receivables and securities and derivative business receivables. 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 2019, 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 504.91 million, decreased Baht 18.71 million, compared to Baht 523.62 million in 2018. In 2020 the Company and subsidiaries have net cash paid from operating activities of Baht 17.25 million. Figures which increased include current investments, trade and other current receivables, securities and derivatives business receivables, securities and derivatives business payables and interest received. Figures which decreased include interest paid and income tax. Net cash used in investing activities Baht 3.02 million.

Securities and Derivatives Business Receivables

The Securities Company had securities and derivatives business receivables increased from Baht 455.32 million in 2018 to Baht 547.15 million in 2019. In late 2019, the clients' securities trading volume increased. The securities and derivatives business receivables comprised of receivables from margin loans accounts which increased from Baht 233.41 million in 2018 to Baht 409.49 million in 2019, securities receivables of cash accounts which decreased from 195.11 million in 2018 to Baht 110.17 million in 2019.

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, 2019 the Securities Company has substandard debts of Baht 0.02 million, which is the debt of customers, derivative. The doubtful of Baht 66.58 million in 2019, 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.

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

In 2019, the Company and the Securities Company had Baht 819.64 million for current investments, up by Baht 141.95 million from 2018. The current investments was to facilitate trading of listed securities in SET and mutual funds.

The Company's available-for-sale investments was Baht 13.87 million in 2019, down by Baht 3.56 million from 2018. 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 8.47 million in 2019, increased Baht 0.41 million from 2018. This investments was for long-term investment in TSFC Securities Public Company Limited and Asco Business Promotion 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 2019, the Company and subsidiaries' cash and cash equivalent position decreased by Baht 18.71 million from net cash paid by operating activities of Baht 17.25 million and Baht 3.02 million for used in investing activities. The Company and subsidiaries did not have liquidity problem for last year's operations. As of year-end 2019, the Company and subsidiaries had no outstanding loans from financial institutions. Figures which increased were current investment at Baht 107.14 million, trade and other current receivables at Baht 68.89 million, securities and derivatives business receivables at Baht 91.48 million, trade and other current payables at Baht 188.30 million, securities and derivatives business payables at Baht 56.28 million and interest received at Baht 58.64 million. Figures which decreased include interest paid at Baht 18.25 million and income tax paid at Baht 5.68 million. Net cash used in investing activities was attributed to purchase of assets at Baht 2.74 million.

Sources of Funds

In 2019, 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 2019.

Shareholders' Equity

The equity attributable to owners of the parent company (as of December 31, 2019) stood at Baht 1,399.37 million, increased Baht 11.98 million, or 0.86% from 2018, due to the Company and subsidiaries had operating profit of Baht 17.01 million and the increased of less on remeasuring investments held as available-for-sale of Baht 3.56 million.

Profitability

In 2019, total revenues of the Company and subsidiaries decreased 62.75% from Baht 50,922.64 million in 2018 to Baht 82,876.69 million in 2019, increased by Baht 31,954.05 million. The total expenses of the Company and subsidiaries increased by Baht 31,946.02 Baht, or by 62.75% and net profit of Baht 17.01 million, rose by Baht 8.53 million, or by 100.59% from Baht 8.48 million in 2018. The total revenues for the Securities Company down from Baht 504.86 million in 2018 to Baht 447.50 million in 2019, a decrease of Baht 53.93 million, or 10.82% and net profit of Baht 1.86 million, down by Baht 2.38 million or by 56.13% from Baht 4.24 million in 2018.

The Company and subsidiaries' gross profit margin in 2019 was at 0.07% of total revenues, rose from 0.05% of total revenues in 2018, while the gross profit margin for the Securities Company in 2019 was at 77.47% of total revenues, rose from the 76.53% of total revenues in 2018.

The Company and subsidiaries' net profit margin in 2019 was at 0.021% of total revenues, rose from 0.017% of total revenues in 2018, while the net profit margin for the Securities Company in 2019 was at 0.42% of total revenues, down from the 0.83% of total revenues in 2018.

The reason for the increase in net profit of the Company and subsidiaries due to the company and subsidiaries income from sales of gold bars of the company and securities business income of securities companies decrease less than the total expenses.

Asset Management Capability

In 2019, the Company and the Securities Company have not doubtful debts but the Securities Company has a doubtful debts Baht 66.58 million, 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 2019, the Company and subsidiaries' debt-to-equity (D/E) ratio was at 0.93 compared to 0.76 in 2018 due to increased liabilities related to trade and other payables of the Company and subsidiaries increased Baht 188.36 million and securities and derivatives business payables increased Baht 56.28 million from the year 2018. In late 2019, the Company and subsidiaries had higher business transactions with business partners and clients. The current ratio (current asset / current liabilities) of 2019 was 1.95, increased from 2018 at 2.15, due to current liabilities increased more than current assets. As of year-end 2019, the Company and subsidiaries have not outstanding loans, denoting liquidity management capability and debt repayment capability.

In 2019, the Securities Company's debt-to-equity (D/E) ratio was 0.87 compared to 0.80 in 2018. 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.

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

Globlex Holding Management Public Company Limited (As at 31st December 2019)

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2019)	Family Relation of Executive	Period	Employment History
						Position/ Company
1. Mr. Oran Koohapremkit Chairman of the Board Chairman of Compensation Committee Authorized Director (Appointed as a director on February 18, 2004)	68	Bachelor of Business Administration Honorary of BBA Rajamangala University of Technology Bachelor of Politics Sukhothai Thammathirat Open University Director Accreditation Program (August 2004) Thai Institute of Director Director Certification Program (November 2004) Thai Institute of Directors	21.34% (232.40 million shares)	-	2002-2004 2014-2019	Chairman of the Board Director Globlex Securities Co.,Ltd. <u>Non-Listed Company</u> 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 2019)	Family Relation of Executive	Period	Employment History	
						Position/	Company
2. Miss Vilailuck Skulpakdee Chairman to Audit and Corporate Governance Committee Independent Director Member of Compensation Committee Chairman of Nomination Committee (Appointed as a director on January 17, 2017)	67	Ph.D. Public Administration Suan Dusit Rajabhat University	-	-	2014-Present	<u>Listed Company</u> Chief Executive Officer	Professional Waste Technology (1999) PCL.
		Ph.D. Management University of Netherlands			2004-Present	<u>Non-Listed Company</u> President	
		Ph.D., Interdisciplinary (Account) University of Interdisciplinary Studies USA (UIDS.)			2004-Present	B-Horn Co.,Ltd. President	
		Director Accreditation Program Thai Institute of Director				S.V.P. Group Companies	
		Leader Program, Capital Market Academy, The Stock Exchange of Thailand					

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2019)	Family Relation of Executive	Period	Employment History	
						Position/	Company
3. Mr. Suthep Pongpitak Audit and Corporate Governance Committee Independent Director Member of Compensation Committee Member of Nomination Committee (Appointed as a director on April 1, 2011)	65	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	
		Bachelor of Communication Arts Sukhothai Thammathirat Open University			2004-2007	Revenue Departure area 4 Vice Chairman and Director	
		Bachelor of law Thammasat University			1989-Present	Saving And Credit Cooperative of Excise Department.Limited <u>Non-Listed Company</u> Speaker	
		Bachelor of Education Ramkhamhaeng University			1985-Present	- The Revenue Department - Federation of Accounting Professions - Chulalongkorn University - Thammasat University Special Instructor	
		Bachelor of Accounting Ramkhamhaeng University				- Chulalongkorn University - Thammasat University - Ramkhamhaeng University - Sukhothai Thammathirat Open University - Walailak University - University of the Thai Chamber Of Commerce - Chiang Mai University <u>Listed Company</u>	
					2013-Present	Chairman of Audit Committee and Independent Director	
					2017-Present	Digi Tect Planet Plc. Audit Committee and Independent Director	
						Rojana Industrial Park Plc.	

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2019)	Family Relation of Executive	Period	Employment History	
						Position/	Company
4. Mr. Suporn Thammaraaks Audit and Corporate Governance Committee Independent Director Member of Compensation Committee Member of Nomination Committee (Appointed as a director on August 10, 2011)	66	Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of law Ramkhamhaeng University Directors Certification Program Thai Institute of Directors Certificated from The National Defence College Public Director Certificatio King Prajadhikpoks Institute	-	-	2011	Independent Director	Globlex Securities Co.,Ltd.
					1981-Present	<u>Non-Listed Company</u> Director	
					1997-Present	Manhattan Hotel Co., Ltd. Chairman of the Board Director	
					2011-Present	Khong Rung Pathumtani Hotel Co., Ltd. Chairman of the Board Director	
					2010-Present	Twin Bay Resort Co., Ltd. Managing Director	
					2010-2012	Eco Inn Co., Ltd. Director	
						Industrial Estate Authority of Thailand	

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2019)	Family Relation of Executive	Period	Employment History	
						Position/	Company
5. Mr. Tharaphut Kuhaprembit Director and Managing Director Authorized Director (Appointed as a director on March 21, 2012)	36	MBA Finance and Business Strategy SASIN Graduate Institute of Business Administration of Chulalongkorn University Master Degree in Investment Management 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 2007 2009-2012 2012 - Present 2012 - Present	Trader	G.G.R. CAPITAL Co.,Ltd.
						Treasury Department	
						Siam Commercial Bank Plc.	
						Vice President Investment Banking	
						Globlex Securities Co.,Ltd.	
						<u>Non-Listed Company</u>	
						Director	
						Capital One Partners Co., Ltd.	
						Director	
						Asia Equity Venture Co.,Ltd.	

Name, Surname and position	Age (Years)	Education	% of Shareholdings (As at 31 st December 2019)	Family Relation of Executive	Period	Employment History	
						Position/	Company
6. Mr. Sumrit Aunjitham First Vice President Accounting & Finance Department The person assuring overall responsibility in accounting and finance The Company's Secretary	56	Bachelor of Accounting University of the Thai Chamber Of Commerce Fundamentals for Corporate Secretaries Thailand Companies Association	-	-	2002-2010	Assistance Vice President	Finansia Syrus Securities Co., Ltd.
7. Mr. Noppadon Sakulwattana Deputy Vice President Accounting & Finance Department Chief Accountant	41	Master of Laws National Institute of Development Administration Bachelor of laws , 2ndclass hons. Thammasat University Bachelor of Business Administration (Accounting) Rajamangala Institute Of Technology Borpitpimuk Chakrawad Campus	-	-	2005 - 2009	Manager	Globlex Advisory Co.,Ltd.

Directors of Globlex Holding Management Public Company Limited and its subsidiaries (As at 31st December 2019)

	Name	Position	Subsidiaries		
			GBS	COP	AEV
1.	Mr. Oran Koohapremkit	χ			
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		χ		
7.	Mr. Tanadit Charoenchan		x , xx		
8.	Pol.Maj.Gen. Wichai Songborassamee		x , xx		
9.	Mr.Thanapisal Koohapremkit		/ , //		
10.	Miss Prathana Makkriangkrai		/ , //		

χ = Chairman of the Board GBS = Globlex Securities Co.,Ltd.
 / = Director COP = Capital One Partners Co., Ltd.
 // = Executive AEV = Asia Equity Venture Co.,Ltd.
 xx = Audit Committee
 x = Independent Director

REPORT FO 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, 2019, 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, 2019, 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	Audit Responses
Revenue recognition - Revenue from sales Revenue from sales is recognized in the statement of profit or loss and other comprehensive income when control of goods is 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 significant uncertainty from receiving economic benefits from sales of goods or cannot be reasonably measured. Key audit matters is whether the revenue from sales is occurrence and has been properly recognized in accordance with Thai Financial Reporting Standards. The accounting policies of revenue recognition was disclosed in Note 3.21.	Key audit procedures include: • Understood the recognition of revenue from sales process and related internal control procedures • Reviewed the design and implementation of the internal control procedures • Performed the operating effectiveness testing over the internal control procedures around revenue recognition from sale process including related information and technology system and • Performed substantive testing as follows: - Examined the supporting documents for revenue from sales whether the revenue from sales is occurrence and has been accurately recognized. - Performed cut-off procedures of revenue from sales at the year end to ensure that the Company properly recorded revenue from sales in the appropriate period. - Performed substantive analytical procedures relating to the revenue from sales.
Revenue recognition - Brokerage fees Brokerage fees from securities and derivatives business are recognized at a point in time on execution date of the trades at a certain percentage of the transaction value of the securities and derivatives trades executed. Key audit matters is whether the brokerage fees have been accurately recognized in accordance with Thai Financial Reporting Standards. The accounting policy of revenue recognition was disclosed in Note 3.21.	Key audit procedures include: • Understood the revenue recognition - brokerage fees process and related internal control procedures • Reviewed the design and implementation of the internal control procedures • Performed the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system • Performed substantive testing as follows: - Examined 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 have been accurately recognized. - Performed 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 is expected to be made available to us after 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 28, 2020

Statements of Financial Position

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2019

Unit : Baht

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
	Notes	2019	2018	2019	2018
ASSET					
CURRENT ASSET					
Cash and cash equivalents	5	504,905,258	523,620,229	266,785,203	105,630,091
Current investments	6	819,638,125	677,685,883	7,639,463	827,381
Trade and other current receivables	7	553,115,114	503,166,371	521,017,046	485,096,853
Receivables from Clearing House and broker - dealers	8	70,090,559	68,144,151	-	-
Securities and derivatives business receivables	9	547,149,776	455,322,238	-	-
Derivatives assets	10	13,092,888	10,503,420	5,498,400	4,317,600
Inventories		-	70,501	-	70,501
Other current assets		1,122,200	918,358	63,614	42,042
Total Current Assets		2,509,113,920	2,239,431,151	801,003,726	595,984,468
NON-CURRENT ASSETS					
Deposits at financial institutions pledged as collateral	11	75,000,000	75,000,000	75,000,000	75,000,000
Investments held as available-for-sale	12	13,865,931	17,425,252	13,865,931	17,425,252
Investments in subsidiaries	13	-	-	974,959,221	975,695,557
Other long-term investments	14	8,467,680	8,056,800	-	-
Property, plant and equipment	15	17,253,439	22,789,681	6,179,880	7,635,890
Intangible assets	16	24,582,259	25,963,557	1,147,404	1,417,536
Deferred tax assets	29	1,054,185	620,566	-	-
Other non-current assets		59,510,374	55,698,577	50,800	44,800
Total Non-current Assets		199,733,868	205,554,433	1,071,203,236	1,077,219,035
TOTAL ASSETS		2,708,847,788	2,444,985,584	1,872,206,962	1,673,203,503

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

Statements of Financial Position (Continued)

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2019

Unit : Baht

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
Notes	2019	2018	2019	2018	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	17	512,855,314	324,496,307	467,993,937	278,202,469
Securities and derivatives business payables	18	760,293,466	704,010,030	-	-
Derivatives liabilities	10	5,898,850	4,028,950	4,735,100	3,977,650
Income tax payable		1,726,765	1,129,564	-	-
Other current liabilities		5,832,680	5,715,930	239,667	214,792
Total Current Liabilities		1,286,607,075	1,039,380,781	472,968,704	282,394,911
NON-CURRENT LIABILITIES					
Provisions for employee benefits	19	17,646,614	15,153,598	3,029,697	2,932,998
Total Non-Current Liabilities		17,646,614	15,153,598	3,029,697	2,932,998
TOTAL LIABILITIES		1,304,253,689	1,054,534,379	475,998,401	285,327,909

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

Statements of Financial Position (Continued)

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2019

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
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
Share premium		258,702,294	258,702,294	258,702,294	258,702,294
Other deficits					
Deficits arising from change in ownership interest in a subsidiary		(1,995,262)	(1,384,693)	-	-
Retained earnings					
Appropriated					
Legal reserve	21	31,991,700	31,991,700	31,991,700	31,991,700
Unappropriated		53,249,101	38,462,159	49,457,096	37,564,807
Other components of shareholders' equity		(33,018,921)	(29,459,599)	(33,018,921)	(29,459,599)
Total equity attributable to owners of the parent company		1,398,005,304	1,387,388,253	1,396,208,561	1,387,875,594
Non-controlling interests		6,588,795	3,062,952	-	-
TOTAL SHAREHOLDERS' EQUITY		1,404,594,099	1,390,451,205	1,396,208,561	1,387,875,594
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,708,847,788	2,444,985,584	1,872,206,962	1,673,203,503

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, 2019

Unit : Baht

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2019	2018	2019	2018
REVENUES					
Revenues from sales		82,398,224,004	50,389,685,608	82,398,224,004	50,389,685,608
Brokerage fees income	22	232,436,915	326,083,424	-	-
Fees and service incomes		124,594,352	91,897,124	-	-
Interest on margin loans		18,055,151	22,420,513	-	-
Gains and return on financial instruments	23	102,082,240	91,789,664	34,546,587	41,862,290
Other incomes		1,299,462	759,107	2,072,296	1,433,376
Total Revenues		82,876,692,124	50,922,635,440	82,434,842,887	50,432,981,274
EXPENSES					
Cost of sales	27	82,343,657,488	50,366,843,653	82,343,657,488	50,366,843,653
Employee benefits expenses		298,878,897	320,521,971	31,560,858	35,652,725
Fees and services expenses		73,130,218	86,049,464	14,080,387	13,472,656
Reversal of bad debt and doubtful accounts		(345,800)	-	-	-
Loss on capital reduction		-	-	-	6,767,696
Loss on impairment of investment in a subsidiary (reversal)		-	-	13,692	-1,136,057
Other expenses		123,406,200	118,379,286	32,319,438	14,791,646
Finance costs		18,271,766	19,180,647	1,318,735	981,755
Total Expenses		82,856,998,769	50,910,975,021	82,422,950,598	50,437,374,074
Profit (loss) before income tax expense		19,693,355	11,660,419	11,892,289	(4,392,800)
Tax expenses	29	2,683,618	3,180,511	-	-
PROFIT (LOSS) FOR THE YEAR		17,009,737	8,479,908	11,892,289	-4,392,800

Statement of Profit or Loss and Other Comprehensive Income (Continued)

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME (EXPENSE)					
Components of other comprehensive income that will be reclassified to profit or loss					
Loss on remeasuring investments held as available-for-sale		(3,559,322)	(3,145,022)	(3,559,322)	(3,145,022)
Total components of other comprehensive income that willbe reclassified to profit or loss		(3,559,322)	(3,145,022)	(3,559,322)	(3,145,022)
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain on remeasurements of defined benefit plans		-	4,244,591	-	1,501,134
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss		-	(548,691)	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss		-	3,695,900	-	1,501,134
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		13,450,415	9,030,786	8,332,967	(6,036,688)
Profit (loss) for the year attributable to :					
Owners of the parent		14,786,942	7,998,960	11,892,289	(4,392,800)
Non-controlling interests		2,222,795	480,948	-	-
		17,009,737	8,479,908	11,892,289	(4,392,800)
Total comprehensive income (expense) for the year attributable to :					
Owners of the parent		11,227,620	8,549,838	8,332,967	(6,036,688)
Non-controlling interests		2,222,795	480,948	-	-
		13,450,415	9,030,786	8,332,967	(6,036,688)
BASIC EARNINGS (LOSS) PER SHARE (BAHT)	30	0.014	0.007	0.011	(0.004)
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

Statements of Changes in Shareholders' Equity

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

CONSOLIDATED FINANCIAL STATEMENTS											
Shareholders' equity of the parent company											
	Notes	Issued and paid-up share capital	Share premium	Retained earnings			Other components of shareholders' equity		Non-controlling interests	Total shareholders' equity	
				Deficits arising from change in ownership interest in a subsidiary	Appropriated Legal reserve	Unappropriated	Loss on remeasuring investments held as available-for-sale	Total other components of shareholders' equity			
											Other deficits
Balance as at January 1, 2018		1,089,076,392	258,702,294	(1,252,689)	31,991,700	26,767,299	(26,314,577)	(26,314,577)	1,378,970,419	-	1,378,970,419
Change in ownership interest in a subsidiary	13	-	-	(132,004)	-	-	-	-	(132,004)	2,582,004	2,450,000
Total comprehensive income (expense)		-	-	-	-	11,694,860	(3,145,022)	(3,145,022)	8,549,838	480,948	9,030,786
Balance as at December 31, 2018		1,089,076,392	258,702,294	(1,384,693)	31,991,700	38,462,159	(29,459,599)	(29,459,599)	1,387,388,253	3,062,952	1,390,451,205
Balance as at January 1, 2019		1,089,076,392	258,702,294	(1,384,693)	31,991,700	38,462,159	(29,459,599)	(29,459,599)	1,387,388,253	3,062,952	1,390,451,205
Dividend paid	24	-	-	-	-	-	-	-	-	(857,521)	(857,521)
Change in ownership interest in a subsidiary	13	-	-	(610,569)	-	-	-	-	(610,569)	2,160,569	1,550,000
Total comprehensive income (expense)		-	-	-	-	14,786,942	(3,559,322)	(3,559,322)	11,227,620	2,222,795	13,450,415
Balance as at December 31, 2019		1,089,076,392	258,702,294	(1,995,262)	31,991,700	53,249,101	(33,018,921)	(33,018,921)	1,398,005,304	6,588,795	1,404,594,099

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

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

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

Statements of Cash Flows

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax	19,693,355	11,660,419	11,892,289	(4,392,800)
Adjustments for				
Depreciation and amortization expenses	9,104,690	10,151,773	1,765,142	2,357,320
Reversal of bad debt and doubtful accounts	(345,800)	-	-	-
Reversal of loss on diminution in value of inventories	(216)	(774)	(216)	(774)
Unrealized (gain) loss from fair value of investments	(15,873,671)	(3,363,927)	52,500	4,000
Unrealized (gain) loss from fair value of derivatives	(719,568)	56,000	(423,350)	54,150
Unrealized loss on exchange rate	20,173,486	3,757,348	19,930,082	4,040,620
Gain on sale of trading investments	(18,935,850)	(14,863,599)	(18,935,850)	(14,863,599)
Loss on sale and written-off property, plant and equipment and intangible assets	575,708	664,564	-	-
Gain on sale of investment in a subsidiary	-	-	(827,356)	(1,307,757)
Loss on capital reduction	-	-	-	6,767,696
Loss on impairment of investment in a subsidiary (reversal)	-	-	13,692	(1,136,057)
Employee benefits expenses	3,522,966	1,927,527	96,699	266,143
Interest and dividend incomes	(57,456,790)	(60,149,938)	(4,407,525)	(1,900,099)
Finance costs	18,271,766	19,180,647	1,318,735	981,755
Profit (loss) from operating activities before change in operating assets and liabilities	(21,989,924)	(30,979,960)	10,474,842	(9,129,402)
(Increase) decrease in operating assets				
Current investments	(107,142,721)	(234,397,567)	12,071,268	14,992,244
Trade and other current receivables	(68,894,192)	(89,969,417)	(55,850,413)	(91,591,443)
Receivables from Clearing House and broker - dealers	(2,189,812)	57,591,364	-	-
Securities and derivatives business receivables	(91,481,738)	430,621,946	-	-
Inventories	70,717	149,144	70,717	149,144
Other current assets	(203,842)	(115,309)	(21,572)	(17,527)
Other non-current assets	(3,811,797)	(2,925,767)	(6,000)	-

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

Statements of Cash Flows (Continued)

GLOBLEX HOLDING MANAGEMENT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE STATEMENTS	FINANCIAL
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Trade and other current payables	188,295,460	100,845,891	189,767,970	99,883,539
Payable to Clearing House and broker - dealers	-	(86,521,128)	-	-
Securities and derivatives business payables	56,283,436	87,123,409	-	-
Other current liabilities	127,985	(1,097,641)	24,874	46,320
Employee benefit obligations paid during the year	(1,029,950)	(126,000)	-	-
Cash received (paid) from operations	(51,966,378)	230,198,965	156,531,686	14,332,875
Interest received	58,642,572	61,901,010	1,635,876	1,754,067
Cash paid for interest	(18,245,640)	(25,707,367)	(1,292,609)	(960,202)
Cash paid for income tax	(5,677,281)	(4,193,807)	-	-
Net cash flows provided by (used in) operating activities	(17,246,727)	262,198,801	156,874,953	15,126,740
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for other long-term investment	(410,880)	(256,800)	-	-
Cash paid for purchase of property, plant and equipment	(1,286,586)	(655,019)	(39,000)	(11,235)
Proceeds from sale of property, plant and equipment	4,019	8,692	-	-
Cash paid for purchase of intangible assets	(1,451,477)	(2,842,199)	-	-
Dividend received	129,308	146,639	2,771,787	146,639
Net cash flows provided by (used in) investing activities	(3,015,616)	(3,598,687)	2,732,787	135,404
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from capital reduction	-	-	-	258,151
Cash received from short-term borrowings from financial institutions	2,175,000,000	4,065,000,000	865,000,000	605,000,000
Cash paid for short-term borrowings from financial institutions	(2,175,000,000)	(4,065,000,000)	(865,000,000)	(605,000,000)
Cash received from sale of investment in subsidiary to non-controlling interests	1,550,000	2,450,000	1,550,000	2,450,000
Dividend paid	(2,628)	-	(2,628)	-
Net cash flows provided by financing activities	1,547,372	2,450,000	1,547,372	2,708,151
Net increase (decrease) in cash and cash equivalents	(18,714,971)	261,050,114	161,155,112	17,970,295
Cash and cash equivalents as at January 1,	523,620,229	262,570,115	105,630,091	87,659,796
Cash and cash equivalents as at December 31,	504,905,258	523,620,229	266,785,203	105,630,091

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, 2019

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, Lumpini, 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 (the "Group") 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 2018) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2019 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)".

2.3 The consolidated financial statements as at December 31, 2019 and 2018, 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	Paid-up share capital		Percentage of direct and indirect holding (%)	
		Thousand Baht	Thousand Baht		
		2019	2018	2019	2018
Globlex Securities Company Limited	Securities business	500,000	500,000	99.99	99.99
Capital One Partners Company Limited	Financial advisory business	10,000	10,000	59.99	75.49
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 year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019 including TFRS No.15 "Revenue from Contracts with Customers." The Company and its subsidiaries determine revenue recognition by performance which is not different than revenue recognition in the previous year. 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 Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretations which have been announced in the Royal Gazette and will be effective for the financial statements for the periods beginning on or after January 1, 2020 onwards. 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 they become 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, except the financial reporting standards as follows:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32	Financial Instruments: Presentation
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Thai Financial Reporting Standards ("TFRS")

TFRS 7	Financial Instruments: Disclosures
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TFRS 9	Financial Instruments
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Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
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TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
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These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group's management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 "Leases", Thai Accounting Standard Interpretation No.15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No.27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No.4 "Determining whether an Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group's management will adopt such TFRS when it becomes effective. Based on the initial assessment, the management of the Group has anticipated the effect to the consolidated and separate statement of financial position as at January 1, 2020 to be to increase the right-of-use assets by approximately Baht 20.33 million and Baht 1.74 million, respectively, and to increase the lease liabilities by approximately Baht 20.33 million and Baht 1.74 million, respectively, and no any significant impact on the financial performance 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 securities 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 "Guarantee assets receivables" or "Guarantee assets 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 gains and return on financial instruments.

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).

The subsidiary will write off loans classified as bad debt 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 ("SEC").

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.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets, if any.

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

Leasehold improvements	5	Years
Furniture	5	Years
Office equipment	5	Years
Vehicles	5	Years

Depreciation is included in determining income.

The residual value of an item of property, plant 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 property, plant 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 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 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 subsidiaries have not amortized such intangibles 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 Impairment of Assets

The carrying amounts of the Company and its subsidiaries' assets are reviewed at each reporting 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 a cash-generating unit is the higher of its fair value less costs of disposal or cash-generating unit or 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, as if no impairment loss had been recognized.

3.13 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.

3.14 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.

3.15 Structured notes

The notes are recorded at amortized cost, adjusted by the discount on the notes. The discount is amortized by the effective rate method with the amortized amount presented as finance costs in the statement of profit or loss and other comprehensive income.

Embedded derivatives are recorded as derivative assets or liabilities at fair value and the changes in fair value are recorded in profit or loss. In determining the fair value, the subsidiary uses a valuation technique and theoretical model. The input to the model is derived from observable market conditions that include interest rate, underlying price and volatility of underlying asset.

3.16 Provision for liabilities

The Company and its subsidiaries recognize provision as liabilities in the financial statements when the amount of the obligation as a result of a past event can be reliably estimated and it is current commitment that is likely that loss of resources which are of economic benefit will result from settlement of such commitments

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 (expense).

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

3.18 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.

3.19 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, 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.

3.20 Derivatives

Futures contracts

The Company and its 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 profit or loss and other comprehensive income.

3.21 Revenue recognition

Sales of goods

Revenue is recognized in the statement of profit or loss and other comprehensive income when control of goods is 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 significant uncertainty from receiving economic benefits from sales of goods or cannot be reasonably measured.

Brokerage fees income and fees and service income

For the year ended December 31, 2019, the Group changed the basis according to the adoption of TFRS No. 15 "Revenue from Contracts with Customers". Therefore, the accounting policy for brokerage fees income and fees and service income for the years ended December 31, 2019 and 2018 were contrast as below:

For the year ended December 31, 2019

1) Brokerage fees income

Brokerage fees from securities and derivatives business are recognized at a point in time on execution date of the trades at a certain percentage of the transaction value of the securities and derivatives trades executed.

2) Fees and service income

Underwriting fee and arranging fee

Revenue from underwriting and fund arrangement services are recognized when the relevant placing, underwriting, sub-underwriting or arrangement services activities are completed. Accordingly, the revenue is recognized at a point in time.

Financial advisory fee

Financial advisory fee income is recognized when the Company has satisfied its performance obligation in providing the promised service to the customer, and recognized based on contractual rate agreed with customers. Accordingly, the revenue is recognized at over time.

Selling agent fee

Selling agent fee income is comprised of commission income from front-end fee and back end fee which are recognized at a point in time on execution date.

For the year ended December 31, 2018

1) Brokerage fees income

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

2) Fees and service 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 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.

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.

3.22 Expense recognition

Fees and service expenses

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

Interest on borrowings

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

Other expenses

Other expenses are recognized on an accrual basis.

3.23 Long-term lease

Operating lease

Leases in which substantially all risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of profit or loss and other comprehensive income over the lease term.

Tax expense consists of current income tax and deferred income tax.

3.24 Current income 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 income 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 profit (loss) 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 persons or 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	Financial advisory business	Subsidiary
Asia Equity Venture Company Limited	Investments business	Subsidiary
Related party	-	Common director
Related person	-	Related person with of Director and Management

Pricing policies for each transaction are described as follows:

Type of transactions	Pricing policies
Revenues from gold bar trading	At the rate of the Company charge with other customers
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 deposits	1.00% p.a. for 2019 and 2018
Dividend income	Per announced rate
Rental expense	Contract price

Significant revenues and expenses derived from transactions with related persons parties for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Revenues from gold bar trading				
Related party	1,171,600	500,601	1,171,600	500,601
Brokerage fee income from sale/purchase order of securities				
Related person	231	256	53	38
Brokerage fee expenses from sale/purchase order of securities				
Globlex Securities Company Limited	-	-	4,181	2,429
Brokerage fee expenses from sale/purchase order of derivatives				
Globlex Securities Company Limited	-	-	5,179	5,898
Securities borrowing and lending fee				
Globlex Securities Company Limited	-	-	1,617	1,636
Interest income from deposits				
Globlex Securities Company Limited	-	-	259	318
Dividend income				
Capital One Partner Company Limited	-	-	2,642	318
Rental expense				
Globlex Securities Company Limited	-	-	2,010	2,010

Significant outstanding balance with related companies as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Other receivables				
Globlex Securities Company Limited	-	-	-	6,054
Capital One Partner Company Limited	-	-	12	-
	-	-	12	6,054
Other payable				
Globlex Securities Company Limited	-	-	7,120	678

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, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Cash	125	135	10	10
Current deposits	138,165	142,771	7,441	2,225
Saving deposits	428,013	356,038	258,218	102,564
Fixed deposits with maturity within 3 months	1,116	831	1,116	831
Treasury bills and government bonds with maturity within 3 months	674,560	303,572	-	-
Total	1,241,979	803,347	266,785	105,630
<u>Less</u> Deposits in the name of subsidiary for the customers' accounts*	(737,074)	(279,727)	-	-
Total cash and cash equivalents	504,905	523,620	266,785	105,630

* Deposit accounts for the customers were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

5.2 Non-cash items from purchasing and increasing of property, plant and equipment and intangible assets for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Payable for property, plant and equipment and intangible asset brought forward	11	-	-	-
<u>Add</u> Purchase during the year	2,769	3,508	39	11
<u>Less</u> Cash payment during the year	(2,738)	(3,497)	(39)	(11)
Payable for property, plant and equipment and intangible assets carried forward	42	11	-	-

6. CURRENT INVESTMENTS

Current investments as at December 31, 2019 and 2018 are as follows:

6.1 Cost and fair value are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019		2018	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Trading investments				
Listed securities	175,998	172,809	85,007	76,086
Unit trust - open-end fund	2,000	2,296	2,000	2,263
Debt securities	627,255	643,341	592,532	598,510
<u>Add (less)</u> Valuation adjustment	13,193	-	(2,680)	-
Total trading investments	818,446	818,446	676,859	676,859
Held-to-maturity investments				
Fixed deposits	371,192	371,192	530,827	530,827
Treasury bills and government bonds	164,083	164,083	970,952	970,952
<u>Less</u> Deposits in the name of subsidiary for customers' accounts*	(534,083)	(534,083)	(1,500,952)	(1,500,952)
Total held-to-maturity investments	1,192	1,192	827	827
Total current investments	819,638		677,686	

* Deposit accounts for the customers were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Trading investments				
Listed securities	6,500	6,447	-	-
Add Valuation adjustment	(53)	-	-	-
Total Trading investments	6,447	6,447	-	-
Held-to-maturity investments				
Fixed deposits	1,192	1,192	827	827
Total held-to-maturity investments	1,192	1,192	827	827
Total current investments	7,639		827	

6.2 Investments in deposits at financial institutions with outstanding maturities of contracts as follow:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Investments in deposits at financial institutions				
Fixed deposit	371,192	-	-	371,192
Treasury bills and government bonds	164,083	-	-	164,083
	535,275	-	-	535,275
Less Deposits held for customers' accounts*	(534,083)	-	-	(534,083)
Total investments in deposits at financial institutions	1,192	-	-	1,192

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Investments in deposits at financial institutions				
Fixed deposit	530,827	-	-	530,827
Treasury bills and government bonds	970,952	-	-	970,952
	1,501,779	-	-	1,501,779
Less Deposits held for customers' accounts*	(1,500,952)	-	-	(1,500,952)
Total investments in deposits at financial institutions	827	-	-	827

* Deposit accounts for the customers were not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	2019			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Investments in deposits at financial institutions				
Fixed deposit	1,192	-	-	1,192
Total investments in deposits at financial institutions	1,192	-	-	1,192

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	2018			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Investments in deposits at financial institutions	827	-	-	827
Fixed deposit				
Total investments in deposits at financial institutions	827	-	-	827

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trade receivables	451,433	401,138	452,799	401,138
Guarantee for goods	6,464	9,415	6,464	9,415
Other current receivables	95,218	92,613	61,755	74,544
Total	553,115	503,166	521,018	485,097

As at December 31, 2019 and 2018, the Company has the guarantee for overseas goods in the amount of USD 5.09 million and USD 0.29 million, respectively. (Equivalent to Baht 153.29 million and Baht 7.73 million, respectively).

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

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trade receivables				
Not yet due	451,433	401,138	452,799	401,138
Past due exceed 3 months	415	415	415	415
Total	451,848	401,553	453,214	401,553
<u>Less</u> Allowance for doubtful accounts	(415)	(415)	(415)	(415)
Total trade receivables	451,433	401,138	452,799	401,138

8. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

Receivables from Clearing House and broker - dealers as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
Receivables from Clearing House - securities	42,729	54,157
Receivables from Clearing House - derivatives	78,787	52,539
Receivables from foreign securities brokers	7,355	996
Total Receivables from Clearing House	128,871	107,692
<u>Less</u> Receivables from Clearing House in the name of subsidiary for customers' account*	(58,780)	(39,548)
Total	70,091	68,144
<u>Less</u> Allowance for doubtful accounts	-	-
Receivables from Clearing House and broker - dealers	70,091	68,144

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

9. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

Securities and derivatives business receivables as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
<u>Securities business receivables</u>		
Cash accounts		
- Equity securities	110,174	195,164
Credit balance accounts	409,466	233,412
Guarantee assets receivables	27,424	26,174
Other receivables		
- Installment receivables	-	267
- Securities business receivables under litigation	66,583	66,928
Total securities business receivables	613,647	521,945
<u>Add</u> Interest receivables	-	-
Total securities business receivables and interest receivables	613,647	521,945
<u>Less</u> Allowance for doubtful accounts	(66,583)	(66,928)
Securities business receivables	547,064	455,017
<u>Derivatives business receivables</u>		
Derivatives business receivables	86	305
Securities and derivatives business receivables	547,150	455,322

As at December 31, 2019 and 2018, 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

	2019			2018		
	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	547.13	-	547.13	455.05	-	455.05
Substandard debts	0.02	-	0.02	0.27	-	0.27
Doubtful	66.58	(66.58)	-	66.93	(66.93)	-
Total	613.73	(66.58)	547.15	522.25	(66.93)	455.32

As at December 31, 2019 and 2018, the subsidiary had securities business receivable which recognized income on an accrual basis has been suspended in amounting to Baht 66.58 million and Baht 66.93 million, respectively. The subsidiary has provided the allowance for doubtful account in full amount and these receivables are in litigation process.

Allowance for doubtful accounts as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
Balance at beginning of the year	66,928	66,928
<u>Less</u> Bad debt recovery	(345)	-
Balance at the end of the year	66,583	66,928

10. DERIVATIVES ASSETS AND LIABILITIES

Derivatives assets and liabilities as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

Type of derivatives	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Asset		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Futures	12,652	455,084	5,880	404,056
Forward contracts	441	118,638	19	128,096
Total	13,093	573,722	5,899	532,152

Unit : Thousand Baht

Type of derivatives	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Asset		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Futures	9,861	192,101	3,751	160,745
Forward contracts	642	100,738	278	217,803
Total	10,503	292,839	4,029	378,548

Unit : Thousand Baht

Type of derivatives	SEPARATE FINANCIAL STATEMENTS			
	2019			
	Asset		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Futures	5,058	349,938	4,716	349,875
Forward contracts	441	118,638	19	128,096
Total	5,499	468,576	4,735	477,971

Unit : Thousand Baht

Type of derivatives	SEPARATE FINANCIAL STATEMENTS			
	2018			
	Asset		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
Futures	3,676	148,848	3,700	148,806
Forward contracts	642	100,738	278	217,803
Total	4,318	249,586	3,978	366,609

11. DEPOSITS AT FINANCIAL INSTITUTIONS PLEDGED AS COLLATERAL

Deposits at financial institutions pledged as collateral as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2019	2018
As guarantee against short-term borrowing credit line	50,000	50,000
As guarantee against standby letter of credit	25,000	25,000
Total	75,000	75,000

12. INVESTMENTS HELD AS AVAILABLE- FOR-SALE

Investments held as available-for-sales as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	Cost	Fair value	Cost	Fair value
Investments held as available-for-sale				
Listed securities	41,885	8,027	41,885	11,657
Unit trust - open-end fund	5,000	5,839	5,000	5,768
Less Valuation adjustment	(33,019)	-	(29,460)	-
Total	13,866	13,866	17,425	17,425

13. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS					
	Percentage of direct and indirect holding (%)		Dividends received		Cost method	
	2019	2018	2019	2018	2019	2018
SUBSIDIARIES						
- Globlex Securities Co., Ltd.	99.99	99.99	-	-	965,000	965,000
- Capital One Partners Co., Ltd.	59.99	75.49	2,642	-	2,797	3,520
- Asia Equity Venture Co., Ltd.	99.99	99.99	-	-	20,000	20,000
Total			2,642	-	987,797	988,520
Less Allowance for impairment loss on investments					(12,838)	(12,824)
Investments in subsidiaries					974,959	975,696

Decrease in share capital of a subsidiary

On March 16, 2018, the Annual General shareholders' meeting of a subsidiary, approved a resolution to decrease in registered share capital from 3,000,000 shares at Baht 10 each, to 1,000,000 shares at Baht 10 each which was registered with the Department of Business Development Ministry of Commerce on March 16, 2018 and reversed deficits in the amount of Baht 19.74 million. The remaining amount of the share capital reduction after deducting with deficits will be paid to the shareholders.

On April 18, 2018, the Board of Directors' meeting of the Company, approved a resolution to sell 490,000 shares at Baht 10 each to two shareholders. Subsequently, on July 1, 2018, the Company sold its shares to one of individual shareholders of 245,000 shares at Baht 10 per share, totaling Baht 2.45 million and the Company fully received the payment from such shares. Consequently, the percentage of shareholding in the subsidiary's share capital was 75.49%.

Subsequently, on August 1, 2019, the Company sold its shares to one of individual shareholders of 155,000 shares at Baht 10 per share, totaling Baht 1.55 million and the Company fully received the payment from such shares. Consequently, the percentage of shareholding in the subsidiary's share capital was 59.99%.

14. OTHER LONG-TERM INVESTMENTS

Other long-term investment as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Percentage of holding		Paid-up capital		Cost method	
	2019	2018	2019	2018	2019	2018
TSFC Securities Public Company Limited	0.50	0.50	1,549,126	1,549,126	7,800	7,800
ASCO Business Promotion Company Limited	2.47	2.38	27,016	10,786	668	257
					8,468	8,057

15. PROPERTY, PLANT AND EQUIPMENT

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at	Additions	Disposals	Balance as at
	January 1, 2019			December 31, 2019
Cost				
Leasehold improvements	53,844	467	(7,290)	47,021
Furniture	11,349	27	(55)	11,321
Office equipment	144,977	780	(57)	145,700
Vehicles	28,790	-	-	28,790
Total cost	238,960	1,274	(7,402)	232,832
Accumulated depreciation				
Leasehold improvements	(51,190)	(1,222)	6,711	(45,701)
Furniture	(11,154)	(75)	54	(11,175)
Office equipment	(135,949)	(3,217)	57	(139,109)
Vehicles	(17,877)	(1,717)	-	(19,594)
Total accumulated depreciation	(216,170)	(6,231)	6,822	(215,579)
Property, plant and equipment	22,790			17,253

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at	Additions	Disposals	Balance as at
	January 1, 2018			December 31, 2018
Cost				
Leasehold improvements	54,401	-	(557)	53,844
Furniture	11,290	111	(52)	11,349
Office equipment	144,468	555	(46)	144,977
Vehicles	28,790	-	-	28,790
Total cost	238,949	666	(655)	238,960
Accumulated depreciation				
Leasehold improvements	(50,395)	(1,332)	537	(51,190)
Furniture	(11,122)	(84)	52	(11,154)
Office equipment	(132,562)	(3,434)	47	(135,949)
Vehicles	(15,225)	(2,652)	-	(17,877)
Total accumulated depreciation	(209,304)	(7,502)	636	(216,170)
Property, plant and equipment	29,645			22,790
Depreciation for the years ended December 31,				
2019			Baht	6,231
2018			Baht	7,502

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Additions	Disposals	Balance as at
	January 1, 2019			December 31, 2019
Cost				
Leasehold improvements	867	-	-	867
Furniture	335	-	-	335
Office equipment	1,853	39	-	1,892
Vehicles	21,842	-	-	21,842
Total cost	24,897	39	-	24,936
Accumulated depreciation				
Leasehold improvements	(764)	(68)	-	(832)
Furniture	(319)	(8)	-	(327)
Office equipment	(1,543)	(92)	-	(1,635)
Vehicles	(14,635)	(1,327)	-	(15,962)
Total accumulated depreciation	(17,261)	(1,495)	-	(18,756)
Property, plant and equipment	7,636			6,180

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at	Additions	Disposals	Balance as at
	January 1, 2018			December 31, 2018
Cost				
Leasehold improvements	867	-	-	867
Furniture	324	11	-	335
Office equipment	1,853	-	-	1,853
Vehicles	21,842	-	-	21,842
Total cost	24,886	11	-	24,897
Accumulated depreciation				
Leasehold improvements	(696)	(68)	-	(764)
Furniture	(312)	(7)	-	(319)
Office equipment	(1,368)	(175)	-	(1,543)
Vehicles	(12,807)	(1,828)	-	(14,635)
Total accumulated depreciation	(15,183)	(2,078)	-	(17,261)
Property, plant and equipment	9,703			7,636

Depreciation for the years ended December 31,

2019	Baht	1,495
2018	Baht	2,078

As at December 31, 2019 and 2018, certain property, plant 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 208.38 million and Baht 190.83 million, respectively.

16. INTANGIBLE ASSETS

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
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	43,007	989	-	336	44,332
Total cost		59,380	989	-	336	60,705
Accumulated amortization						
Private fund license fee		(527)	-	-	-	(527)
Computer software		(34,518)	(2,874)	-	-	(37,392)
Total amortization		(35,045)	(2,874)	-	-	(37,919)
Computer software under installation		1,628	504	-	(336)	1,796
Intangible assets		25,963				24,582

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2018	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2018
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	40,095	1,330	-	1,582	43,007
Total cost		56,468	1,330	-	1,582	59,380
Accumulated amortization						
Private fund license fee		(527)	-	-	-	(527)
Computer software		(31,868)	(2,650)	-	-	(34,518)
Total amortization		(32,395)	(2,650)	-	-	(35,045)
Computer software under installation		2,352	1,512	(654)	(1,582)	1,628
Intangible assets		26,425				25,963
Amortization for the years ended December 31,						
2019					Baht	2,874
2018					Baht	2,650

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2019	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2019
Cost						
Computer software	5 Years	2,948	-	-	-	2,948
Total cost		2,948	-	-	-	2,948
Accumulated amortization						
Computer software		(1,530)	(270)	-	-	(1,800)
Total amortization		(1,530)	(270)	-	-	(1,800)
Intangible assets		<u>25,963</u>				<u>24,582</u>

Unit : Thousand Baht

SEPARATE FINANCIAL STATEMENTS						
	Useful life	Balance as at January 1, 2018	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2018
Cost						
Computer software	5 ปี	2,462	-	-	486	2,948
Total cost		2,462	-	-	486	2,948
Accumulated amortization						
Computer software		(1,251)	(279)	-	-	(1,530)
Total amortization		(1,251)	(279)	-	-	(1,530)
Computer software under installation		486	-	-	(486)	-
Intangible assets		<u>1,697</u>				<u>1,418</u>
Amortization for the years ended December 31,						
2019					๒๗๐	270
2018					๒๗๙	279

TFOX 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, 2019 and 2018, 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 31.35 million and Baht 27.36 million, respectively.

17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Trade payables	435,661	256,097	435,661	256,097
Guarantee payables	18,296	16,126	18,296	16,126
Other current payables	58,898	52,273	14,037	5,979
Total	512,855	324,496	467,994	278,202

18. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019	2018
<u>Securities business payables</u>		
Cash accounts		
- Equity securities	172,890	222,021
- Debt securities	580,732	475,639
Securities borrowing and lending payables	6,310	3,670
Securities business payables	759,932	701,330
<u>Derivatives business payables</u>		
Derivatives business payables	361	2,680
Securities and derivatives business payables	760,293	704,010

19. PROVISIONS FOR EMPLOYEE BENEFITS

The Company and its subsidiaries have provision for employee 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, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Post-employment benefit obligations	17,647	15,154	3,030	2,933
Total	17,647	15,154	3,030	2,933

Movement in the present value of the post-employment benefit obligations for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019 Baht	2018 Baht
Beginning balance of post-employment benefit obligations	15,154	17,597
Current service cost	1,460	1,649
Interest cost	292	278
Past service cost	1,771	-
Components of employee benefit costs recognized in profit or loss	3,523	1,927
Actuarial (gain) loss recognized in other comprehensive income		
- Actuarial gain arising from changes in plan experiences	-	(5,383)
- Actuarial loss arising from changes in demographic assumptions	-	2,655
- Actuarial gain arising from changes in financial assumptions	-	(1,516)
Components of employee benefit costs recognized in other comprehensive income	-	(4,244)
Benefit paid	(1,030)	(126)
Ending balance of post-employment benefit obligations	17,647	15,154

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS	
	2019 Baht	2018 Baht
Beginning balance of post-employment benefit obligations	2,933	4,168
Current service cost	62	225
Interest cost	10	41
Past service cost	25	-
Components of employee benefit costs recognized in profit or loss	97	266
Actuarial (gain) loss recognized in other comprehensive income		
- Actuarial gain arising from changes in plan experiences	-	(1,415)
- Actuarial loss arising from changes in demographic assumptions	-	(72)
- Actuarial gain arising from changes in financial assumptions	-	(14)
Components of employee benefit costs recognized in other comprehensive income	-	(1,501)
Ending balance of post-employment benefit obligations	3,030	2,933

The principal actuarial assumptions at the reporting date as at December 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2019 Percentage (p.a.)	2018 Percentage (p.a.)
Discount rate	1.53 - 2.99	1.53 - 2.99
Salary increase rate	3.50	3.50
Employee turnover rate	0 - 25 (depend on age of employee)	0 - 25 (depend on age of employee)
Mortality rate	TMO2017 (Thai Mortality Ordinary Table 2017)	TMO2017 (Thai Mortality Ordinary Table 2017)

	SEPARATE FINANCIAL STATEMENTS	
	2019 Percentage (p.a.)	2018 Percentage (p.a.)
Discount rate	1.53	1.53
Salary increase rate	3.50	3.50
Employee turnover rate	0 - 25 (depend on age of employee)	0 - 25 (depend on age of employee)
Mortality rate	TMO2017 (Thai Mortality Ordinary Table 2017)	TMO2017 (Thai Mortality Ordinary Table 2017)

Significant actuarial assumptions for the determination of the employee benefit obligations are discount rate, 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)	
	2019	2018
Discount rate - increase by 1%	(930)	(898)
Discount rate - decrease by 1%	987	956
Salary increase rate - increase by 1%	1,086	936
Salary increase rate - decrease by 1%	(1,028)	(887)
Employee turnover rate - increase by 10%	(977)	(839)
Employee turnover rate - decrease by 10%	1,143	981

Unit : Thousand Baht

	SEPARATE FINANCIAL STATEMENTS	
	Impact on the employee benefit obligations	
	Increases (decreases)	
	2019	2018
Discount rate - increase by 1%	(36)	(34)
Discount rate - decrease by 1%	39	37
Salary increase rate - increase by 1%	43	37
Salary increase rate - decrease by 1%	(40)	(34)
Employee turnover rate - increase by 10%	(40)	(34)
Employee turnover rate - decrease by 10%	52	44

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.

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company reflects the effects of such change by recognizing past service cost as an expense in the consolidated and separate statements of profit or loss and other comprehensive income of Baht 1.77 million and Baht 0.03 million, respectively, for the year ended December 31, 2019.

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

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.

22. BROKERAGE FEES INCOME

Brokerage fees income of its subsidiary for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			2018
	Timing of revenue recognition			
	At a point in time	Overtime	Total	
Brokerage fees from securities business	183,618	-	183,618	272,572
Brokerage fees from derivatives business	48,819	-	48,819	53,512
Total	232,437	-	232,437	326,084

23. GAINS AND RETURN ON FINANCIAL INSTRUMENTS

Gains and return on financial instruments of the Company and its subsidiaries for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Gain (loss) on securities	36,510	(1,388)	18,883	14,863
Gain on derivatives	26,171	55,448	11,256	25,099
Interest and dividend income	39,401	37,729	4,408	1,900
Total	102,082	91,789	34,547	41,862

24. DIVIDEND PAID

On March 19, 2019 the Board of Directors' Meeting of the subsidiary passed the resolution to approve the interim dividend payment at the rate of Baht 3.50 per share, totaling Baht 3.50 million and the subsidiary set aside a legal reserve Baht 0.21 million. The payment of such dividend was made to shareholders on April 23, 2019, the ordinary shareholders' meeting of the subsidiary passed the resolution to pay the interim dividend payment and appropriated its earnings as the legal reserve.

25. KEY MANAGEMENT BENEFIT EXPENSES

Compensation or remuneration payable to key managements of the Company and its subsidiaries for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Short-term employee benefits	38,854	37,803	8,286	8,823
Post-employment benefits	657	439	61	203
Total	39,511	38,242	8,347	9,026

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 profit or loss and other 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 SEPARATE FINANCIAL STATEMENTS	
	2019	2018
Changes in inventories valuation	-	149
Purchase of goods	82,343,657	50,366,695
รวม	82,343,657	50,366,844

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. The fund will be paid to employees upon termination in accordance with the fund rules. During the years ended December 31, 2019 and 2018, the Company and its subsidiaries contributed to the fund Baht 7.51 million and Baht 7.45 million, respectively.

29. TAX EXPENSE

Deferred tax assets (liabilities)

Deferred tax assets (liabilities) as at December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Deferred tax assets	2,901	2,431	-	-
Deferred tax liabilities	(1,847)	(1,810)	-	-
Total	1,054	621	-	-

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, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Beginning balance as at December 31, 2019
Temporary Difference				
Employee benefit obligations	2,431	470	-	2,901
Amortization of intangible assets	(1,810)	(37)	-	(1,847)
Total	621	433	-	1,054

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	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	Beginning balance as at December 31, 2018
Temporary Difference				
Employee benefit obligations	2,685	294	(548)	2,431
Amortization of intangible assets	(1,530)	(280)	-	(1,810)
Total	1,155	14	(548)	621

Tax expense for the years ended December 31, 2019 and 2018 are as follows:

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Current tax expense				
Current tax expense for the years	3,117	3,195	-	-
Deferred tax				
Deferred tax relating to origination and reversal of temporary differences	(433)	(14)	-	-
Tax expense presented in the statement of profit or loss and other comprehensive income	2,684	3,181	-	-

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rates for the years ended December 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019		2018	
	Tax rate %	Amount Thousand Baht	Tax rate %	Amount Thousand Baht
Profit before income tax expense		19,693		11,660
Tax amount per applicable tax rates	20	3,939	20	2,332
Effects of net loss not recognized as deferred tax assets		(2,081)		(675)
Deferred tax relating to origination and reversal of temporary differences		(433)		(14)
Effects of income exempt from tax and non-deductible expenses for tax purpose		1,259		1,538
Tax expense presented in the statement of profit or loss and other comprehensive income	14	2,684	27	3,181

	SEPARATE FINANCIAL STATEMENTS			
	2019		2018	
	Tax rate %	Amount Thousand Baht	Tax rate %	Amount Thousand Baht
Profit before income tax expense		11,892		(4,393)
Tax amount per applicable tax rates	20	2,378	20	(879)
Effects of net loss not recognized as deferred tax assets		(2,078)		(672)
Effects of income exempt from tax and non-deductible expenses for tax purpose		(300)		1,551
Tax expense 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, 2019 and 2018, tax expense is calculated from profit before income tax expense added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

As at December 31, 2019 and 2018, 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 74.04 million and Baht 133.13 million, respectively, and the separate financial statements amount of Baht 74.00 million and Baht 133.11 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, 2019 and 2018, are calculated by dividing profit (loss) for the year attributable to owners of the parent (excluded other comprehensive income (expense)) by the weighted average number of ordinary shares outstanding during the year as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Profit (loss) attributable to the parent company (Thousand Baht)	14,787	7,999	11,892	(4,393)
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)	0.014	0.007	0.011	(0.004)

31. OPERATING SEGMENT FINANCIAL INFORMATION

Operating 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 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 bar trading business segment represent approximately Baht 13,456 million and Baht 6,112 million of the Company's total revenues for the years ended December 31, 2019 and 2018, respectively.

The segment financial information of the Company and its subsidiaries for the years ended December 31, 2019 and 2018 are as follows:

	Unit : Thousand Baht					
	Gold bar trading business			Securities business		
	2019	2018		2019	2018	
Revenues from sales	82,398,224	50,389,686		-	-	
Cost of sales	(82,343,657)	(50,366,844)		-	-	
Gross profit	54,567	22,842		-	-	
Brokerage fees income	-	-		-	-	
- At a point in time	-	-		-	-	
Fees and service income	-	-		242,563	-	
- At a point in time	-	-		-	-	
- Overtime	-	-		-	-	
Other incomes (expenses)	4,299	28,504		109,790	-	
Operating and administrative expenses	(45,655)	(54,757)		3,818	-	
Finance costs	(1,319)	(982)		597	400,585	
				(336,737)	(375,781)	
				(17,212)	(18,517)	
Profit before income tax expense						
Tax expense						
Profit for the year						
Other comprehensive income (expense)						
Components of other comprehensive income that will be reclassified to profit or loss						
Loss on remeasuring investments held as available-for-sale						
Total components of other comprehensive income that will be reclassified to profit or loss						
Components of other comprehensive income that will not be reclassified to profit or loss						
Gain on remeasurements of defined benefit plans						
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss						
Total components of other comprehensive income that will not be reclassified to profit or loss						
Total comprehensive income for the year						

The segment assets of the Company and its subsidiaries as at December 31, 2019 and 2018 are as follows:

	Unit : Thousand Baht					
	Gold bar trading business			Securities business		
	2019	2018		2019	2018	
Assets by segment	1,872,207	1,673,204		1,786,872	1,725,508	
				31,415	25,648	
				(981,646)	(979,374)	
				2,708,848	2,444,986	

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, 2019 and 2018, 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, 2019 and 2018 are as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019					
	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	-	-	-	-	505	505
Current investments	-	643	-	-	177	820
Receivables from Clearing House and broker - dealers	-	43	-	-	27	70
Securities and derivatives business receivables	-	110	-	-	437	547
Derivatives assets	-	-	-	-	13	13
Investments held as available-for-sale	-	-	-	-	14	14
Other long-term investments	-	-	-	-	8	8
Financial liabilities						
Securities and derivatives business payables	-	754	-	-	6	760
Derivatives liabilities	-	-	-	-	6	6

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2018					
	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	-	24	-	-	500	524
Current investments	-	599	-	-	79	678
Receivables from Clearing House and broker - dealers	-	54	-	-	14	68
Securities and derivatives business receivables	-	195	-	-	260	455
Derivatives assets	-	-	-	-	11	11
Investments held as available-for-sale	-	-	-	-	17	17
Other long-term investments	-	-	-	-	8	8
Financial liabilities						
Securities and derivatives business payables	-	700	-	-	4	704
Derivatives liabilities	-	-	-	-	4	4

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2019					
	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	-	-	-	-	267	267
Current investments	-	-	-	-	8	8
Derivatives assets	-	-	-	-	5	5
Investments held as available-for-sale	-	-	-	-	14	14
Financial liabilities						
Derivatives liabilities	-	-	-	-	5	5

Unit : Million Baht

	SEPARATE FINANCIAL STATEMENTS					
	2018					
	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	-	-	-	-	106	106
Current investments	-	-	-	-	1	1
Derivatives assets	-	-	-	-	4	4
Investments held as available-for-sale	-	-	-	-	17	17
Financial liabilities						
Derivatives liabilities	-	-	-	-	4	4

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, 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							
	2019							
	Outstanding balances of financial instruments Repricing or maturity dates					Total	Interest rate (%) per annum	
	Floating	At call	Less than	1 – 5	No		Floating	Fixed
	interest		1 year	years	interest		rate	rate
rate								
Financial assets								
Cash and cash equivalents	369	-	-	-	136	505	0.25 – 0.85	-
Current investments	-	-	643	-	177	820	-	0.60 – 6.75
Receivables from Clearing House and broker - dealers	20	-	-	-	50	70	-	-
Securities and derivatives business receivables	-	-	409	-	138	547	-	5.50 – 18.00
Derivatives assets	-	-	-	-	13	13	-	-
Investments held as available-for-sale	-	-	-	-	14	14	-	-
Other long-term investments	-	-	-	-	8	8	-	-
Financial liabilities								
Securities and derivatives business payables	-	-	-	-	760	760	-	-
Derivatives liabilities	-	-	-	-	6	6	-	-

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
2018								
	Outstanding balances of financial instruments Repricing or maturity dates					Total	Interest rate (%) per annum	
	Floating	At call	Less than	1 - 5	No		Floating	Fixed
	interest rate		1 year	years	interest		rate	rate
Financial assets								
Cash and cash equivalents	404	-	-	-	120	524	0.25 - 0.85	-
Current investments	-	-	599	-	79	678	-	0.90 - 6.25
Receivables from Clearing House and broker - dealers	13	-	-	-	55	68	-	-
Securities and derivatives business receivables	-	-	233	-	222	455	-	5.50 - 18.00
Derivatives assets	-	-	-	-	11	11	-	-
Investments held as available-for-sale	-	-	-	-	17	17	-	-
Other long-term investments	-	-	-	-	8	8	-	-
Financial liabilities								
Securities and derivatives business payables	-	-	-	-	704	704	-	-
Derivatives liabilities	-	-	-	-	4	4	-	-

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS								
2019								
	Outstanding balances of financial instruments Repricing or maturity dates					Total	Interest rate (%) per annum	
	Floating	At call	Less than	1 - 5	No		Floating	Fixed
	interest rate		1 year	years	interest		rate	rate
Financial assets								
Cash and cash equivalents	260	-	-	-	7	267	0.25 - 0.85	-
Current investments	-	-	8	-	-	8	-	0.65 - 0.90
Derivatives assets	-	-	-	-	5	5	-	-
Investments held as available-for-sale	-	-	-	-	14	14	-	-
Financial liabilities								
Derivatives liabilities	-	-	-	-	5	5	-	-

Unit : Million Baht

SEPARATE FINANCIAL STATEMENTS								
2018								
	Outstanding balances of financial instruments Repricing or maturity dates					Total	Interest rate (%) per annum	
	Floating	At call	Less than	1 - 5	No		Floating	Fixed
	interest rate		1 year	years	interest		rate	rate
Financial assets								
Cash and cash equivalents	104	-	-	-	2	106	0.25 - 0.85	-
Current investments	-	-	1	-	-	1	-	0.90
Derivatives assets	-	-	-	-	4	4	-	-
Investments held as available-for-sale	-	-	-	-	17	17	-	-
Financial liabilities								
Derivatives liabilities	-	-	-	-	4	4	-	-

32.2.2 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily in respect of trade and other current 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 current 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, 2019 and 2018, the Company and its subsidiary have the balance of financial assets and liabilities denominated in foreign currencies as follows:

Currency	CONSOLIDATED FINANCIAL STATEMENTS					
	Financial assets		Financial liabilities		Exchange rate	
	Million USD		Million USD		Baht : Foreign Currency	
	2019	2018	2019	2018	2019	2018
USD	5.34	0.60	-	-	29.9767	32.2848

Currency	SEPARATE FINANCIAL STATEMENTS					
	Financial assets		Financial liabilities		Exchange rate	
	Million USD		Million USD		Baht : Foreign Currency	
	2019	2018	2019	2018	2019	2018
USD	5.09	0.29	-	-	29.9767	32.2848

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,	December 31,		
	2019	2018		
	Thousand	Thousand		
	Baht	Baht		
<u>Financial assets</u>				
Current investments				
Trading investments				
Listed securities	172,809	76,086	Level 1	Quoted bid prices in an active market
Unit trust - open-end fund	2,296	2,263	Level 2	Net asset value of unit trust
Debt securities	643,341	598,510	Level 2	Yield rates as quoted by the Thai Bond Market Association
Derivative assets				
Futures	12,652	9,861	Level 1	Quoted settlement prices in Thailand Future Exchange Public Company Limited
Forward contracts	119,477	100,988	Level 2	Foreign exchange rate from Bank of Thailand at the end of reporting period
Investments held as				
available-for-sale	8,027	11,657	Level 1	Quoted bid prices in an active market
Listed securities	5,839	5,768	Level 2	Net asset value of unit trust
<u>Financial liabilities</u>				
Derivative liabilities Futures	5,880	3,751	Level 1	Quoted settlement prices in Thailand Future Exchange Public Company Limited
Forward contracts	127,888	216,427	Level 2	Foreign exchange rate from Bank of Thailand at the end of reporting period

	SEPARATE FINANCIAL STATEMENTS			
	Fair value		Fair value hierarchy	Valuation techniques and key inputs
	As at	As at		
	December 31,	December 31,		
	2019	2018		
	Thousand Baht	Thousand Baht		
<u>Financial assets</u>				
Current investments				
Trading investments				
Listed securities	6,447	-	Level 1	Quoted bid prices in an active market
Derivative assets	5,058	3,676	Level 1	Quoted settlement prices in Thailand
Futures				Future Exchange Public Company Limited
Forward contracts	119,477	100,988	Level 2	Foreign exchange rate from Bank of Thailand at the end of reporting period
Investments held as available-for-sale				
Listed securities	8,027	11,657	Level 1	Quoted bid prices in an active market
Unit trust - open-end fund	5,839	5,768	Level 2	Net asset value of unit trust
<u>Financial liabilities</u>				
Derivative liabilities Futures	4,716	3,700	Level 1	Quoted settlement prices in Thailand
				Future Exchange Public Company Limited
Forward contracts	127,888	216,427	Level 2	Foreign exchange rate from Bank of Thailand at the end of reporting period

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, 2019		As at December 31, 2018		
	Carrying amount	Fair value	Carrying amount	Fair value	
	Thousand	Thousand	Thousand	Thousand	
	Baht	Baht	Baht	Baht	
<u>Financial assets</u>					
Cash and cash equivalents	504,905	504,905	523,620	523,620	3
Receivables from Clearing House broker - dealers	70,091	70,091	68,144	68,144	3
Securities and derivatives business receivables	547,150	547,150	455,322	455,322	3
Other long-term investments	8,468	9,590	8,057	8,952	3
<u>Financial liabilities</u>					
Securities and derivatives business payables	760,293	760,293	704,010	704,010	3

	SEPARATE FINANCIAL STATEMENTS				Fair value hierarchy
	As at December 31, 2019		As at December 31, 2018		
	Carrying amount	Fair value	Carrying amount	Fair value	
	Thousand	Thousand	Thousand	Thousand	
	Baht	Baht	Baht	Baht	
<u>Financial assets</u>					
Cash and cash equivalents	266,785	266,785	105,630	105,630	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, 2019 and 2018, the Company and its subsidiary have commitment on forward foreign exchange contracts which notional amount is as follows:

Unit : Million USD

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2019	2018
Foreign currencies selling contracts	4.25	6.70
Foreign currencies purchasing contracts	3.95	3.10

33.1.2 As at December 31, 2019 and 2018, the Company and its subsidiaries have the 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 FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Payable				
Within 1 year	17.84	28.65	1.68	2.18
Over 1 year and up to 5 years	3.31	20.05	0.03	1.71
Total	21.15	48.70	1.71	3.89

For the years ended December 31, 2019 and 2018, the Company's and its subsidiaries' operating lease agreements recorded as an expense in the statement of profit or loss and other comprehensive income are Baht 26.99 million and Baht 26.78 million, respectively.

For the years ended December 31, 2019 and 2018, the Company's operating lease agreements recorded as an expense in the statement of profit or loss and other comprehensive income are Baht 2.28 million.

33.1.3 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, 2019, sell order of gold bars 99.99% for 90.35 kgs. amount of Baht 132.12 million or USD 4.41 million.

As at December 31, 2018, purchase order of gold bars 99.99% for 130.45 kgs. amount of Baht 173.31 million or USD 5.37 million.

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 28, 2020.

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Globlex Holding Management Public Company Limited



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