



Long Live The King



On behalf of

The directors, management, and employees at Finansia Syrus Securities Plc.



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CORPORATE INFORMATION

Vision & Mission & Core Value

Vision

“To be the leading and reputable broker with comprehensive and most advanced services and a regional coverage”

Mission

We aspire to be the leading securities company with emphasis on retail individual investors through quality investment advisory to optimize returns, offer comprehensive investment products and services, ethical and fair treatment of customers, as well as constant technological development. We also aim to be a specialist in the GMS (Greater Mekong Sub-region) market.

Core Value



Full
Services



Product
Innovative

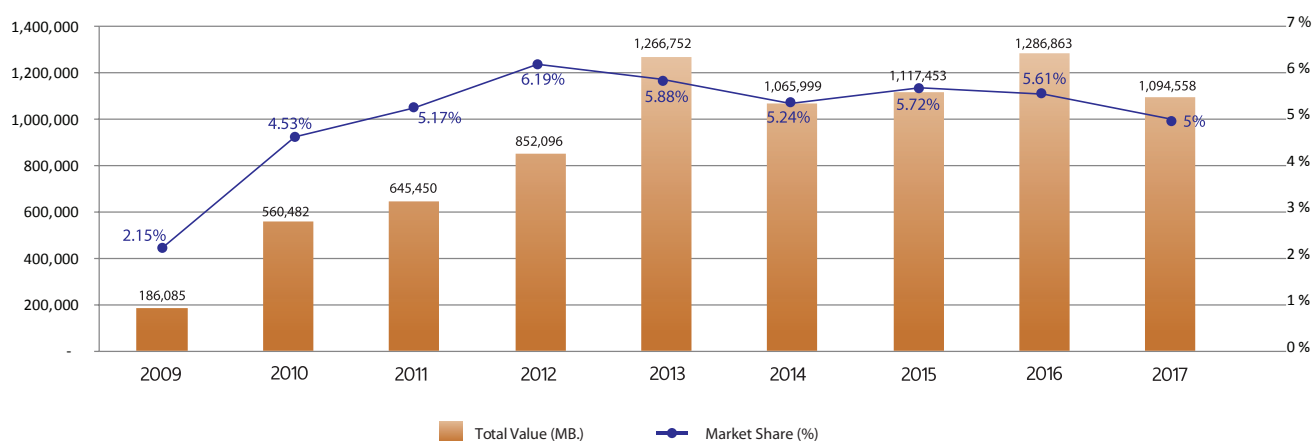


Corporate
Governance



Specialist In
Greater Mekong

Market Share



FINANSIA SYRUS 'S FOOTPRINT



THAILAND

15 Provinces,

32 Branches, 511 IC

- Through 32 branches nationwide; 14 branches in Bangkok and its vicinity
- 18 Branches in up country
- 511 Investment Consultants

The Company provides securities trading service in foreign capital market via efficient internet trading program with data security system that is internationally recognized, allowing investors to trade in 32 capital markets globally. The investors are able to manage their own investment portfolio under one time account opening, providing multi-currency settlement without having foreign currency deposit account. Investors can move the investments from other markets to markets that are likely to offer higher returns at any time. The Company handles transactions of international settlement through professional foreign agent who specializes in international settlement in order to raise confidence for investors in the efficiency of the settlement and safety in foreign investment.

EUROPE

- Netherlands
- Portugal
- Germany
- Italy
- Finland
- Norway
- Switzerland
- Austria
- Belgium
- France
- United Kingdom
- Denmark
- Sweden
- Spain
- Poland

ASIA

- Hong Kong
- Singapore
- Japan
- Laos
- Cambodia
- Vietnam

NORTH AMERICA

- United States

AUSTRALIA

- Australia

FINANCIAL HIGHLIGHTS

		2015	2016	2017
Consolidated (Baht Million)	Total Revenue	1,679	1,856	1,655
	Net Profit	138	231	177
	Total Assets	4,010	6,541	5,953
	Total Liabilities	1,664	4,039	3,357
	Total Equities	2,346	2,502	2,596
	Net Cash Provided by (used in) Operating Activities	(474)	417	(764)
Profitability	Net Profit Margin	8.20	12.47	10.71
Ratio	Return on Total Assets (ROA)	3.38	4.39	2.84
(Percentage)	Return on Total Equity (ROE)	6.06	9.54	6.96
Debt to Equity	Debt to Equity Ratio	0.71	1.61	1.29
Ratio (Times)				
Per Share Data	Earning per shares ¹	0.30	0.46	0.15
(Baht)	Book Value per Share	4.03	4.30	4.46
	Dividends per Share	0.17	0.13	0.13
	Dividend Payout Ratio (%)	38.37	46.51	28.25
Share Capital	Par Value (Baht per Share)	1.60	1.60	1.60
(Shares)	Registered Ordinary Shares	581,403,025	581,403,025	581,403,025
	Registered Preferred Shares	-	-	-
	Number of Ordinary Shares Outstanding	581,403,025	581,403,025	581,403,025
	Number of Weighted Average Ordinary Shares Outstanding	550,221,699	581,403,025	581,403,025

Remark: 1. The Company Financial Statements

FINANCIAL STATUS AT A GLANCE

Consolidated Cash Flow Statements For the Year Ended 31 December 2017

Net Cash Provided by (used in) Operating Activities	(764)
Net Cash Used in Investment Activities	(84)
Net Cash Used in Financial Activities (1)	283
Net Increase (Decrease) in Cash and Cash Equivalents	(565)

→ Cash and Cash Equivalents on 31 December 2016 706

Cash and Cash Equivalents on 31 December 2017 141

Consolidated Financial Position Statements As at 31 December 2016

Assets	
Cash and Cash Equivalents	706
Securities and Derivatives	4,453
Business Receivables	
Other Assets	1,382
Total Assets	6,541
Liabilities	
Securities and Derivatives	2,114
Business Payables	
Other Liabilities	1,925
Owner's Equity	
Share Capital, Premium & Reserves	1,631
Retained earnings-net	871
Non-controlling Interests	0.4
Total Liabilities and Equity	6,541

Consolidated Comprehensive Income For the Year Ended 31 December 2017

Revenues	1,655
Total Expenses	1,447
Profit Before Income Tax	208
Income Tax Expenses	31
Profit for the Year	177
Other Comprehensive Income	(8)
Total Comprehensive Income for the Year	169

Consolidated Financial Position Statements As at 31 December 2017

Assets

Cash and Cash Equivalents	141
Securities and Derivatives	3,925
Business Receivables (3)	
Other Assets	1,887
Total Assets	5,953

Liabilities

Securities and Derivatives	1,574
Business Payables	
Other Liabilities	1,783

Owner's Equity

Share Capital, Premium & Reserves	1,629
Retained earnings-net	966
Non-controlling Interests	0.7
Total Liabilities and Equity	5,953

Retained Earnings

As at 31 December 2017

Balance as at 31 December 2016	871
Legal Reserve	(4)
Total Comprehensive Income for the Year	169
Other component of owners' equity and Non-controlling interests of the subsidiary	6
Dividends (2)	(76)
Balance as at 31 December 2017	966

Remark:

(1) Net cash used in financing activities of Baht 200 million was borrowed from financial institutions.

(2) The Company paid dividend payment of Baht 76 million in May 2017 at the rate of Baht 0.13 per share.

(3) Securities and derivatives business receivables-net decreased Baht 528 million primarily due to decrease in cash accounts of Baht 438 million.



MESSAGE FROM THE CHAIRMAN



Mr. Chatchaval Jiaravanon

Chairman of the Board of Directors

“To the shareholders”

The year 2017 saw a relatively sluggish market for most of the period except for the last quarter. Trading decline 4.1% in average daily turnover and 18.8% for Retail segment. As 78 percent of FSS are reliance on retail equity trading, the effect resulted in a 19% drop in brokerage commissions for the Company. As a result, FSS market share decline to 5.00% in 2017 from 5.61% in 2016 with FSS' overall market share ranking dropping one place to No.4. However, its market share for Online Trading remain at No.2 with 7.4 % indicating a continued strong presence in the retail sector.

The average commission rate in 2017 also dropped further to 0.09% from 0.10% in 2016 reflecting intensifying competition against a background of both slowing trading volumes and the transition of the business towards a greater emphasis on online trading

Foreign Investors contributed 19% of FSS' equity volumes in 2017 more or less in line with 2016 and consistent with the overall share of foreign trading volume on the SET. At the same time, the contribution from Local Institutions to FSS' Brokerage Fees rose over 60% in 2017 and these now represent 4% of overall Commission Revenues. Efforts are currently underway to reposition the Institutional Department within FSS to expand this side of the business.

As at 31 December 2017, FSS employed 511 sales staff in Brokerage, down from 564 at end 2016. The total number of branches also dropped by three to 32 with 14 branches in Bangkok and 18 branches upcountry in line with the digital trend.

Fees income from investment banking activity was Baht 93 million, a 3.5% increase from 2016. Overall, FSS acted as Lead Underwriter for 4 issues including Rich Sport Plc., Humanica Plc., Firetrade Engineering Plc., and Information and Communication Networks Plc. raising over Baht 2,543 million.



FSS entered the Derivative Warrants business in mid-2016 and has quickly established itself as a major player in this area. Derivative Warrants trading contributed Baht 79 million or about half of the overall revenues from Gains on Securities Trading, the balance being primarily from Proprietary Trading. The success in Derivative Warrants stems primarily from the focus on “out of the money” Warrants, an underserved segment of the Derivative Warrants market.

In Q2 2017, FSS entered an agreement to sell its 45% stake in SBI Thai Online Securities back to SBI Financial Services Company Limited, the major shareholder in the company. The agreement was to sell half the holding initially at Book Value as at 31 March 2017 with an option to sell the remainder after 12 months at the same valuation. This agreement resulted in a significant one time impairment recorded in 2017.

In early 2017, FSS announced that it was licensing a highly advanced, online trading platform developed by the leading Korean brokerage firm, Kiwoom Securities. Kiwoom has been No.1 in market share in Korea for the past 12 years. The platform, which represents an important investment for FSS, is customized to the Thai market environment and will be launched in March 2018. During 2017, the Company made a significant commitment in terms of resources to this project, including expanding the IT department, and establishing specialist “e-business” technical and marketing teams. The new trading platform, designed primarily for mobile use, contains a number of trading tools designed to both improve the trading performance for online customers as well as enhance the overall online trading experience. While the new platform will help cement existing client relationships, the goal is to attract new online customers. Online Trading is now

the preferred mode in the Thai retail investor market accounting for around 89% of Thai retail investor activity.

In overseas market, FSS has established a leading position in the trading of Vietnamese shares by Thai investors. This position is expected to be strengthened with the introduction in January 2018 of an online trading capability, supported by FSS’ strategic relationship with VN Direct, the leading online-focused Vietnamese securities company.

2017 also saw FSS adding resources in the Compliance and Risk Management areas, consistent with the diversification of the business into new product areas.

Overall, 2017 saw a diversification in FSS’ business model through the successful build-out of the Investment banking, Proprietary Trading and Derivative Warrants businesses. This has reduced FSS’ dependence on traditional retail brokerage, while expanding the size and scope of the overall business. These changes have made FSS a fundamentally stronger business.

2018 Outlook

The key objectives going into 2018 are (i) a successful launch of the Kiwoom online trading platform in March 2018 (ii) increasing the contributions from Derivative Warrants and Proprietary trading, supported by a greater allocation of capital to these activities and the introduction of algorithmic trading tools (iii) the introduction of new products notably Equity Linked Notes (iv) a repositioning of the Institutional businesses (v) further strengthening Risk Management to reflect the Company’s broader uses of its capital. Taken together, these moves will expand the scope and reach of the business, underpinning both revenues and earnings going forward.

BOARD OF DIRECTORS



1. Mr. Chatchaval Jiaravanon
Chairman of the Board

2. Mr. Varah Sucharitakul
Deputy Chairman of the Board

3. Mr. Chuangchai Nawongs
Director

4. Mr. Somphop Keerasuntonpong
Director

5. Mrs. Pornpring Suksantisuwan
Director

6. Mr. Zhisheng Xu
Director

7. Pol.Lt.Gen. Visanu Prasattongsoth
Independent Director

8. Mr. Phaiboon Siripanoosatien
Independent Director

9. Mr. Kittisak Bencharit
Independent Director

NATURE OF BUSINESS

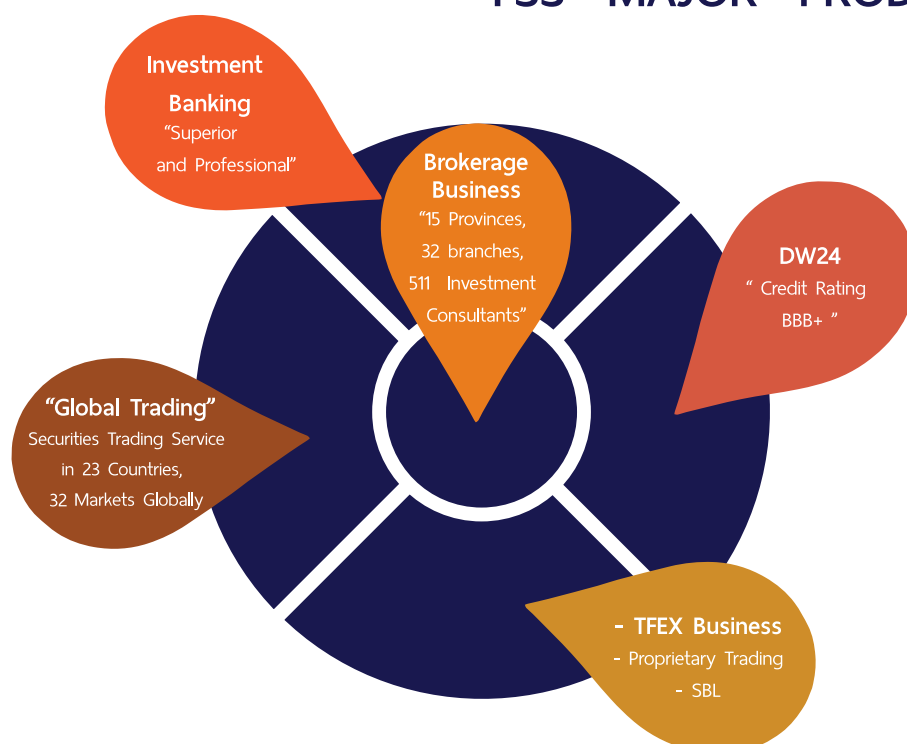
The Company's business operations can be grouped into Securities Brokerage, Investment Banking, Investment Advisory, Bond Business, Derivatives Business, Selling Agent Business, Stock Borrowing and Lending and Global Trading. The details of each business are as follows:

Revenue Structure 2017

The revenue structure of the Company and its Subsidiary in 2015 – 2017

Types of Revenue	2015		2016		2017	
	Baht Million	%	Baht Million	%	Baht Million	%
Brokerage fees income	1,406	83.77	1,436	77.39	1,169	70.63
Fees and services income	71	4.22	128	6.91	149	8.98
Interest income on margin loans	58	3.45	77	4.17	80	4.86
Gain and return on financial instruments entity under equity method	165	9.86	229	12.33	251	15.15
Shares of loss from investments in an associate and a joint venture	(29)	-1.75	(34)	-1.86	(22)	-1.34
Gain from charge in a joint venture proportion	-	0.00	-	0.00	10	0.60
Other income	8	0.45	20	1.06	18	1.12
Total Revenues	1,679	100.00	1,856	100.00	1,655	100.00

FSS MAJOR PRODUCTS



SECURITIES BUSINESS

Market Overview

At the end of 2017, SET index closed at 1,753.71 points, increased by 13.7 percent YoY. SET's market capitalization stood at Baht 17.9 trillion, increased by 15.6 percent YoY. The dividend yields of SET and mai was 2.7 percent and 1.4 percent respectively.

The average daily trading value of SET and mai in 2017 was Baht 50.11 billion, decreased by 4.6 percent YoY. In 2017, the stock index moved in a narrow range throughout the year until the 4th quarter when Thai political situation became more explicit due to economic stimulus measures in the government sector and the setting of the election date in the upcoming year, which boosted up the investment in the stock market. While Thailand's economy went well as tourism and export sectors grew beyond expectations and various infrastructures continued to develop. In a meanwhile, the direction of the world economy is growing as well.

The proportion of foreign investors' average daily trading was 30.2% of daily trading value, increased from

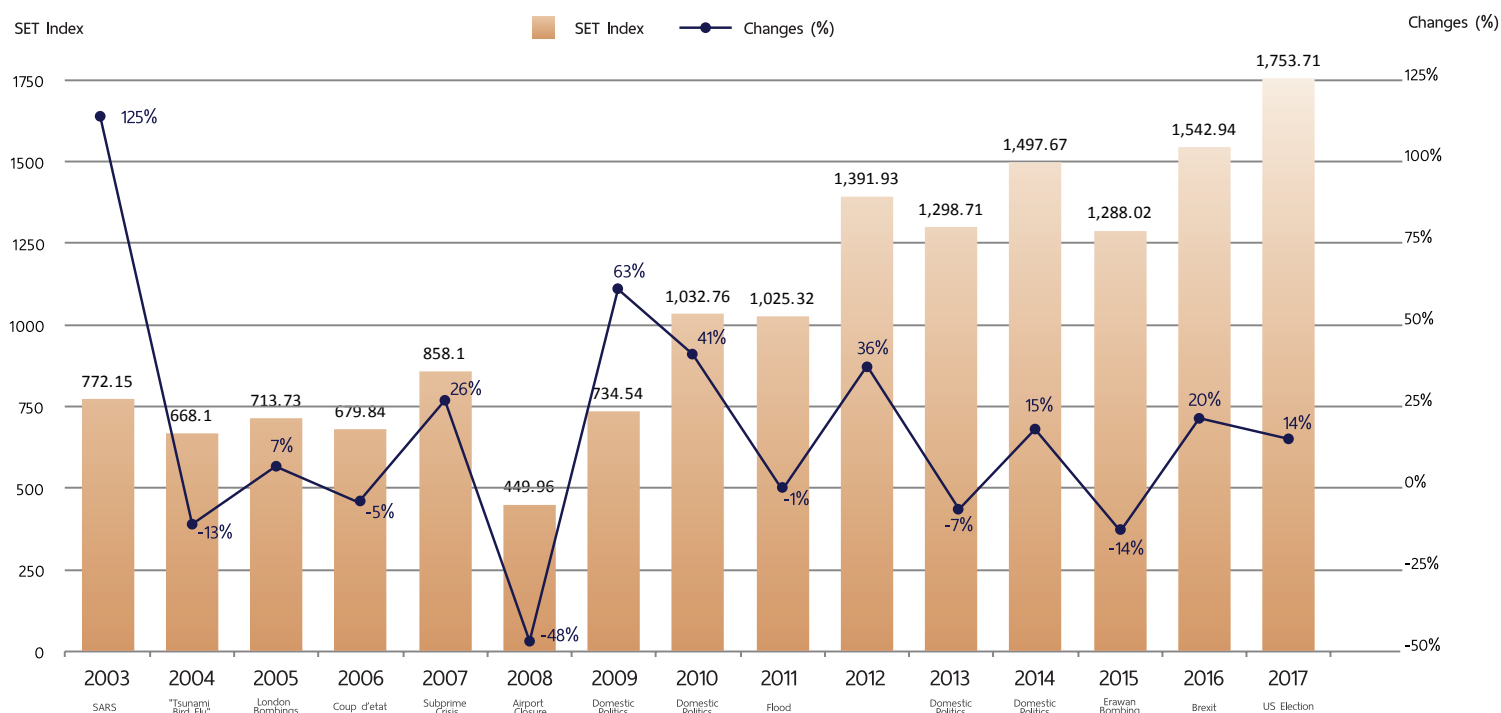
25.6% in 2016. Nevertheless, foreign investors were the net seller of approximately Baht 26 billion, comparing to the net buyer of Baht 79 billion in 2016. While the key players were institutional investors with net buyer in the market of Baht 100 billion in 2017, and individual investors had the largest trading proportion of 48%.

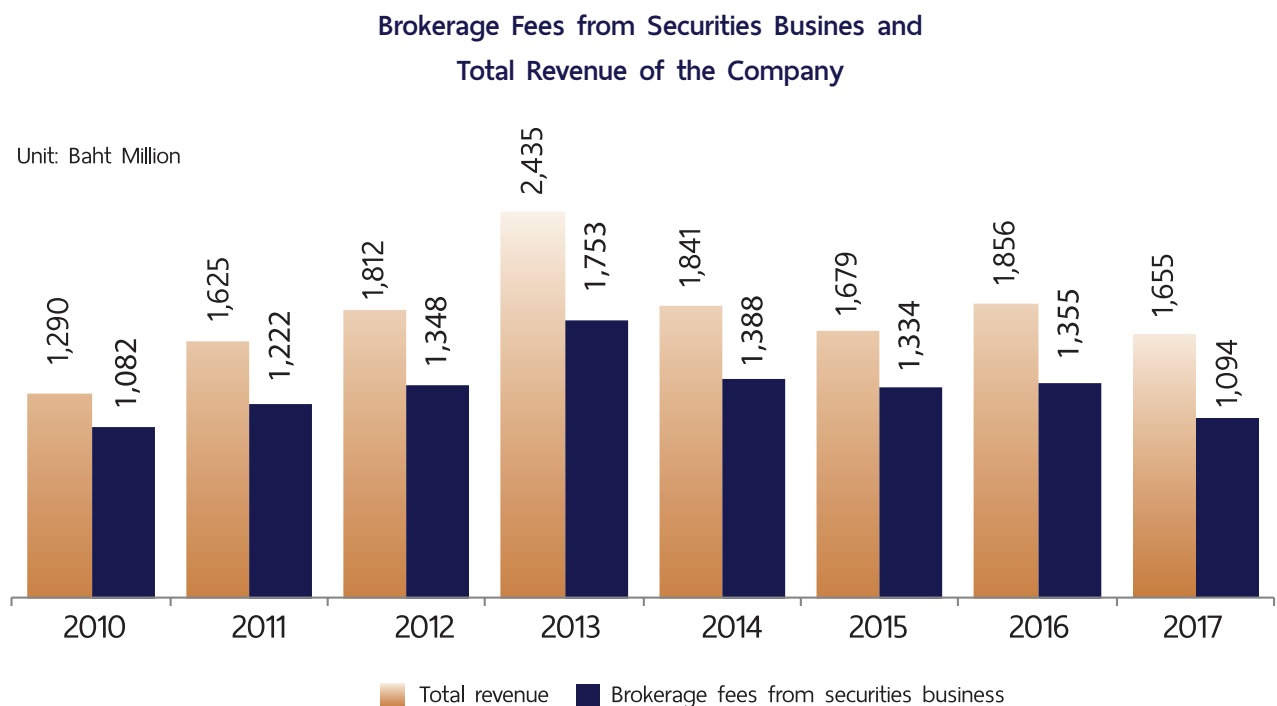
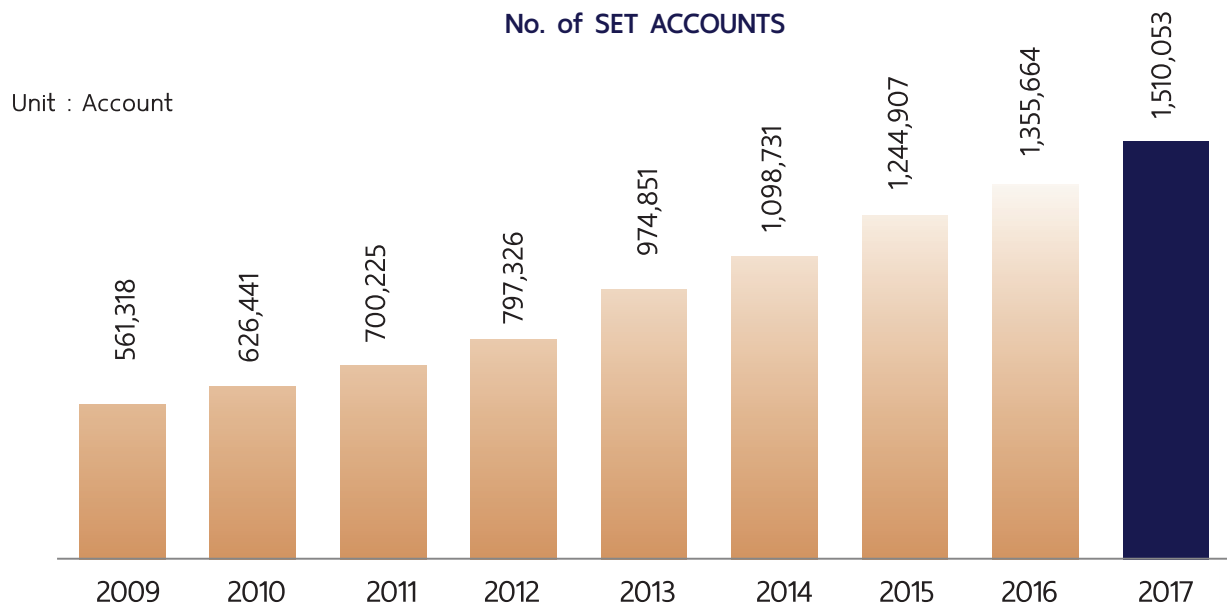
In 2017, the numbers of accounts opened with the Stock Exchange of Thailand were 1.51 million accounts, increased by 11.59% from the end of 2016.

Securities Brokerage

The Company, a member of SET No.24, provided securities brokerage business since August 9th, 2002. The Company has knowledgeable and experienced investment consultants providing stock analysis to clients to support their investment decision. In response to the needs of clients, online trading is also provided. The clients, then, are able to execute transaction, check their own portfolio, confirmation and settlement information online. The Company has both domestic and international individual and institutional clients.

Market Statistics





In 2015, the Company and its Subsidiary received the brokerage fee at the amount of Baht 1,333.62 million while the Company's brokerage fee stood at Baht 1,333.62 million, equivalent to 79.43 percent and 77.90 percent of total revenue.

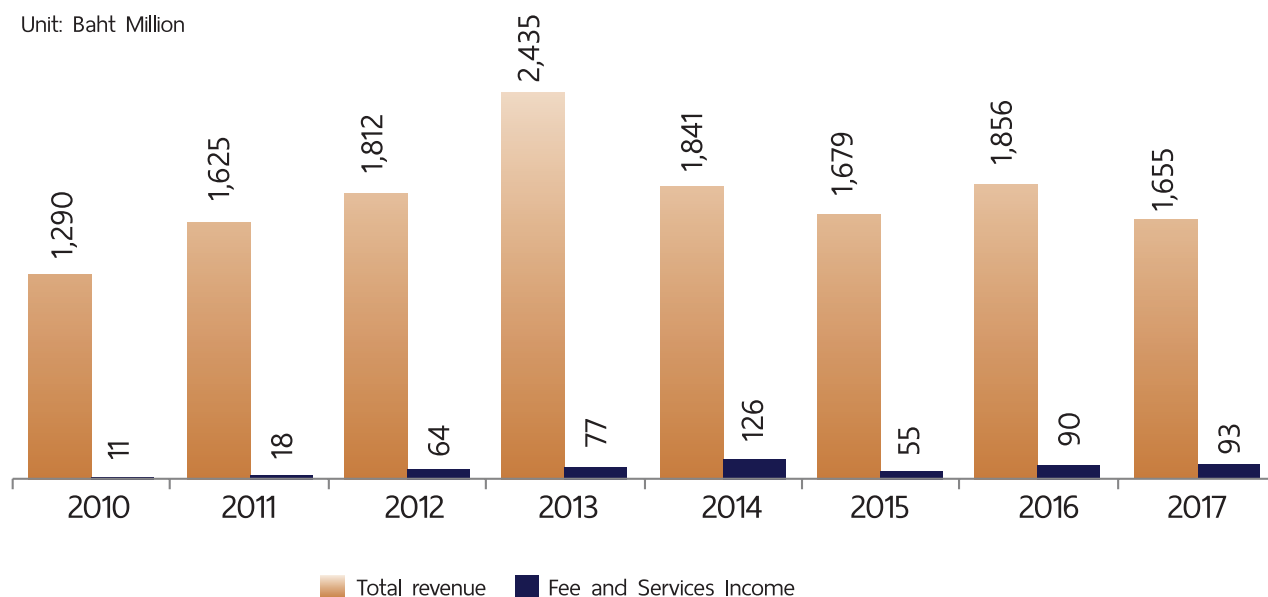
In 2016, the Company and its Subsidiary received the brokerage fee at the amount of Baht 1,355.02 million while the Company's brokerage fee stood at Baht 1,355.02 million, equivalent to 73.02 percent and 71.56 percent of total revenue.

In 2017, the Company and its Subsidiary received the brokerage fee at the amount of Baht 1,093.71 million while the Company's brokerage fee stood at Baht 1,093.71 million, equivalent to 66.08 percent and 65.45 percent of total revenue.

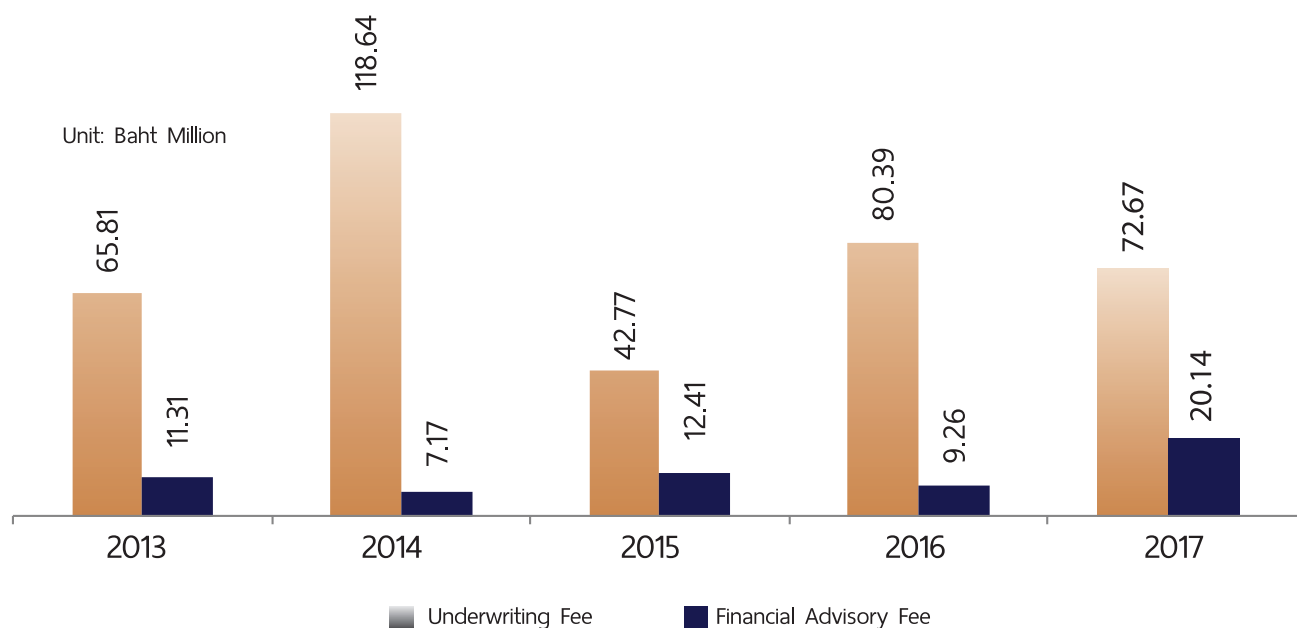
INVESTMENT BANKING BUSINESS

Currently, the Company provides financial advisory and underwriting services. The Investment Banking Department consists of team members having experience and expertise in both domestic and international money and equity markets. The Company was granted a license to provide financial advisory services on September 30th, 2002 by SEC, and was also granted a license to provide underwriting services by MOF.

Fees Income from Investment Banking Business and Total Revenue of the Company



Breakdown of Revenue from Investment Banking Services



In 2015, the Company and its Subsidiary received revenue from investment banking services at the amount of Baht 55.18 million while the Company's revenue from investment banking services stood at Baht 55.18 million, equivalent to 3.29 percent and 3.22 percent of the total revenue.

In 2016, the Company and its Subsidiary received revenue from investment banking services at the amount of Baht 89.65 million while the Company's revenue from investment banking services stood at Baht 89.65 million, equivalent to 4.83 percent and 4.73 percent of the total revenue.

In 2017, the Company and its Subsidiary received revenue from investment banking services at the amount of Baht 92.81 million while the Company's revenue from investment banking services stood at Baht 92.81 million, equivalent to 5.61 percent and 5.55 percent of the total revenue.

In addition to the financial advisory service for securities issuance and offering and underwriting service, the Company also provides the following advisory services:

- Mergers and Acquisition
- Financial Restructuring
- Feasibility Study
- Business Valuation
- Other transactions that are in accordance with the rules and regulations of SEC and SET; for example, delisting of company, asset acquisition/disposition or connected transaction.

Financial advisory and lead underwriting services in 2017



Financial advisory services in 2017 are as follows:

Company	Details of Service
INFORMATION AND COMMUNICATION NETWORKS PLC.	Financial Advisory : Initial Public Offering (IPO)
RICH SPORT PLC.	Financial Advisory : Initial Public Offering (IPO)
HUMANICA PLC.	Financial Advisory : Initial Public Offering (IPO)

The details of the underwriting services in 2017 are as follows:

Company	Details of Service
FIRETRADE ENGINEERING PLC.	Lead Underwriter of the IPO shares
INFORMATION AND COMMUNICATION NETWORKS PLC.	Lead Underwriter of the IPO shares
RICH SPORT PLC.	Lead Underwriter of the IPO shares
HUMANICA PLC.	Lead Underwriter of the IPO shares
SIAMEAST SOLUTIONS PLC.	Underwriter of the IPO shares
MEGACHEM (THAILAND) PLC.	Underwriter of the IPO shares
DENTAL CORPORATION PLC.	Underwriter of the IPO shares
TPI POLENE POWER PLC.	Underwriter of the IPO shares
GLOBAL GREEN CHEMICALS PLC.	Underwriter of the IPO shares
B.GRIMM POWER PLC.	Underwriter of the IPO shares
ZIGA INNOVATION PLC.	Underwriter of the IPO shares
TRIPLE I LOGISTICS PLC.	Underwriter of the IPO shares

Company	Details of Service
PRIMA MARINE PLC.	Underwriter of the IPO shares
SERMSANG POWER CORPORATION PLC.	Underwriter of the IPO shares
WATTANAPAT HOSPITAL TRANG PLC.	Underwriter of the IPO shares
CHIANGMAI RIMDOI PLC.	Underwriter of the IPO shares
APPLIED DB PLC.	Underwriter of the IPO shares
THAI MUI CORPORATION PLC.	Underwriter of the IPO shares
JKN GLOBAL MEDIA PLC.	Underwriter of the IPO shares
THONBURI HEALTHCARE GROUP PLC.	Underwriter of the IPO shares
VINTCOM TECHNOLOGY PLC.	Underwriter of the IPO shares
DO DAY DREAM PLC.	Underwriter of the IPO shares
SUNSWEET PLC.	Underwriter of the IPO shares

Apart from the Underwriting fee and Advisory fee that the Company would receive, the financial advisory service and underwriting service would also support the Brokerage business of the Company in a way to provide the clients with the IPO shares allocation.

OTHER BUSINESSES

Futures Exchange

The Company was granted with the futures brokerage license from SEC on October 14th, 2005 and qualified to be a member of Thailand Futures Exchange Plc. ("TFEX") and Thailand Clearing House Co., Ltd. ("TCH") where the Company started providing futures brokerage services on March 17th, 2008.

Business plans and marketing plans of the future brokerage is to build a customer base from existing customers who traded equities with the Company because these customers already understand investments. For new customers, the Company will focus on clients who have financial stability and good knowledge of the securities and futures trading. In addition, the Company also conducted seminars to educate customers and interested persons to understand investment strategy, return, and risk arising from the investment and to be able to make use of derivative in investment or hedging against investments risks.

Moreover, in July 2015, the Company commenced activities in Single Stock Futures through block trades to increase its liquidity of Single Stock Future. The Company expected to handle the increase of transactions and to increase revenue for the Company because TFEX market is a market that investors have high interest. The overall volume of trading of TFEX market increases every year especially the Single Stock Future.

In 2017, the Company had 3,888 futures trading accounts with the total volume of 3,595,558 contracts. The revenue from futures contract brokerage fee stood at Baht 73.61 million. There are no derivatives accounts opened with the Company's Subsidiary.

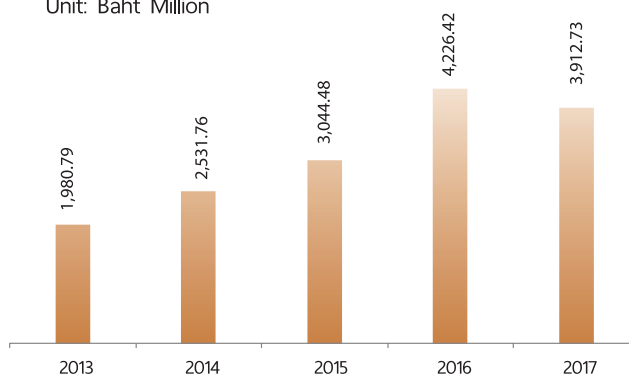
In 2016, the Company had 3,983 futures trading accounts with the total volume of 2,684,907 contracts. The revenue from futures contract brokerage fee stood at Baht 81.00 million. There are no derivatives accounts opened with the Company's Subsidiary.

In 2015, the Company had 4,029 futures trading accounts with the total volume of 2,161,302 contracts. The revenue from futures contract brokerage fee stood at Baht 72.82 million. There are no derivatives accounts opened with the Company's Subsidiary.

Selling Agent Business

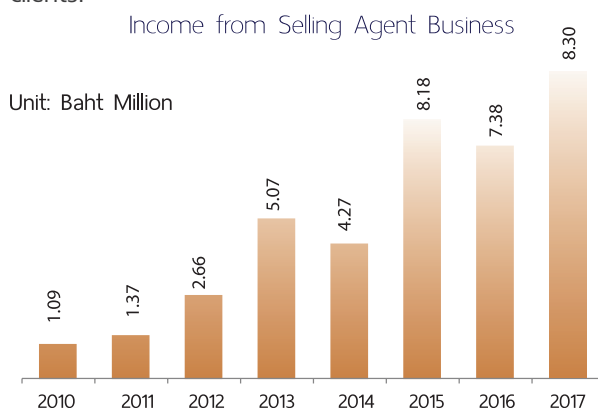
Net Assets Value

Unit: Baht Million



Selling Agent Service is another service provided by the Company to offer a one-stop-service i.e. clients are more convenience to buy, sell, and switch all types of mutual funds for all asset management companies in which the Company acts as an agent. As the Company provides the comparison information and the summary of all funds within one statement incurred the efficiency of mutual fund investment for clients. As at the end of 2017, the Company was the selling agent for 20 Asset Management Companies.

In 2017, the net assets value was Baht 3,912.73 million, decreased by Baht 313.69 million from 2016, equivalent to 7.42 percent. The Company planned to continue improving services by increasing more types of mutual fund products for the convenience of the clients.



Stock Borrowing and Lending Business

The Company was granted the approval to offer SBL services by MOF on August 25, 2010 and has started this business since September 16, 2010.

The Company acts as a party for lender and borrower and facilitates the clients desiring to lend or borrow the securities to proceed according to the objectives. These transactions provide more options for the investors to invest in fluctuated market conditions. The summarized details of the transactions are as follows:

1. The Company lends securities to the clients for short selling of securities in SET100 and ETF as allowed by SET. The short selling could be done through cash or credit balance accounts.
2. On July 20, 2015 the Company provided SMART ACCESS in which clients shall lend and borrow securities via Internet.
3. The lender shall have the rights and gets benefit from lending securities.

In 2017, the Company received SBL fees in the amount of Baht 0.89 million, equivalent to 0.05 percent of the total revenue.

In 2016, the Company received SBL fees in the amount of Baht 2.63 million, equivalent to 0.14 percent of the total revenue.

In 2015, the Company received SBL fees in the amount of Baht 0.88million, equivalent to 0.05 percent of the total revenue.

Bond Trading

Presently, the Company is a dealer member of the Thai Bond Market Association and the Thailand Bond Exchange where the Company provides the bond dealing service to bond investors having bond trading account opened together with securities trading account. In 2015, the Company started being a dealer of debt securities/debenture bond and selling agent in Thai Bond Market by offering One Stop Service to clients.

Derivative Warrants

The Company issued and offered Derivative Warrants (DW) in the year 2016 – 2017 through trading systems in the Stock Exchange (Direct Listing). The Company issued and offered the DW total of 301 series and had good feedbacks from investors. The Company has been rated reliability (Credit Rating) at level BBB + by Fitch Ratings (Thailand) on September 26, 2017.

DW are new products, the Company also organized seminars to educate employees and investors continuously and provided weekly research for decisions to all investors.

Global Trading Business

The Company provides securities trading service in foreign capital market via efficient internet trading program with data security system that is internationally recognized, allowing investors to trade in 32 capital markets globally. The investors are able to manage their own investment portfolio under one time account opening, providing multi-currency settlement without having foreign currency deposit account. Investors can move the investments from other markets to markets that are likely to offer higher returns at any time. The Company handles transactions of international settlement through professional foreign agent who specializes in international settlement in order to raise confidence for investors in the efficiency of the settlement and safety in foreign investment.

SECURITIES TRADING

The Company has a proprietary trading department who is responsible for the investment in equity, bond instrument, mutual fund and other private companies under the strict regulation with the objective of short-term trading and long-term investment. The Company's Board of Directors decided on clear limit allocation, criteria, procedure, and investment policy for the Company to benefit from profit from trading, dividend and interest. The Company also had the Investment Committee approved by the Board of Directors to be responsible for planning strategies and investment policies for both short-term and long-term investment by diversifying risk with appropriate proportion and under loss limit. The Committee reported investment conditions to the Board of Directors to follow up the Company's investment conditions for the more efficient results.

FINANSIA SYRUS'S SUSTAINABLE DEVELOPMENT

The Company recognizes the importance and commits to operating and managing its business by adhering to moral, integrity, transparency and social responsibility in accordance with the good corporate governance policy, and aware that corruption will negatively impact and hinder social and economic development. Therefore, the Company has participated in Collective Action Coalition against Corruption (CAC) since August 27, 2014 to state the intention to fight against all types of corruptions, in which all of the directors, executives, and employees must abide by the anti-corruption guidelines and must not offer, demand, or accept benefits or any bribes that may be deemed as the motivation to perform the duties or neglect the duties in the wrongful manner or may cause the Company to lose the legitimate benefits. The Company also informed the employees to refrain from offering or giving benefits or properties to other people to motivate them to act or omit to act illegally. In 2015, the Company had earned a 4 Certified from the Anti-Corruption progress indicator assessed by Thaipat Institute, indicating that the Company has demonstrated the implementation by sufficiently reviewing the entire process by the Audit Committee or the auditors certified by the SEC, in which the Company has been certified as the member of a private sector for anti-corruption and inspected by external independent agency to assure that the Company has implemented the anti-corruption policy.

In addition, to share and to give back to society is one of the determinations of the company by integrating basis to stimulate the development of human resources and raise the quality of life for the continuous and sustainable development of the country In the past year, Finansia Syrus Securities raised various activities for social responsibility as follows;

Sharing of kindness from Finansia Syrus to students at Phetchaburi Panyanukul School



The management team and employees of the Company donated funds for lunch and consumer goods to students with mental retardation for them to grow up with knowledge and capability to be the future of the country at Phetchaburi Panyanukul School, Petchaburi, on February 18, 2017.

Releasing the turtles and planting marigolds in honor of His Majesty the late King



The Company engaged in the continued project from “Returning the turtles back to nature”, by releasing over 200 turtles, which had been rescued from crowded area in Bangkok and treated until they had fully recovered, into natural water resources in order to conserve marine animals and to create the balance for the nature at Rayong Inland Fisheries Research and Development Center, Dok Krai Reservoir, Mae Nam Koo, Pluak Daeng, Rayong, on August 18-19, 2017.

Returning the turtles back to nature



The Company organized the activities in cooperation with “Love Turtle Club” to save turtles from water resources in the temple where an excessive amount of aquatic animals live in and green areas with biodiversity of plants and animals in the center of Bangkok at Paknam temple, Phasi Charoen, on May 27, 2017.

Sponsoring the purchase of teaching materials and equipment for Associate of Securities Company (Thailand) (ASCO)



The Company sponsored the purchase of teaching materials and equipment for Associate of Securities Company (Thailand) (ASCO) for career training laboratory at Ban Klong Yong School in order to renovate the old building as a professional training laboratory for students to learn and develop the skills to get ready for the career as well as to produce goods and services in order to gain income while studying or to be self-employed once graduated, on December 22, 2017.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors of Finansia Syrus Securities Public Company Limited is responsible for the financial statements of the Company and subsidiaries which have been prepared in accordance with generally accepted accounting standards in Thailand. The policies pursued are deemed appropriate and applied consistently with adequate of important information in the notes to the financial statements.

The Board has appointed an Audit Committee comprising three independent members to provide effective oversight of finances and the internal control system to ensure that accounting records are accurate, adequately and timely, to prevent fraud and materially irregular operations. The views of the Audit Committee are reported in the Committee's report in this annual report.

The Board is confident that the internal control system of Finansia Syrus Securities Public Company Limited and subsidiaries presents the financial position, results, operations and cash flow accurately.



Chatchaval Jiaravanon

Chairman of the Board of Directors

REPORT OF AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee of Finansia Syrus Securities Public Company Limited is comprised of three independent directors. The Company's executive vice president of Internal Audit served as coordinator and secretary.

Audit Committee's Principal Responsibilities

The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on appropriate internal control practices, and other related activities of the Company in compliance with the rules and regulations of the Stock Exchange of Thailand.

The Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted the consolidated financial statements for every quarter-end and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective and preventive action plans were timely established to eliminate or mitigate impact of the associated risks. The Board of Directors, following the review and recommendations of the Audit Committee, approved the policy and reports for related party transactions.

The Internal Audit and Compliance of the Company serves to identify internal control weaknesses within the Company by supervising systematic audit activities focusing on operations and compliance of the Company. The results of each internal audit report were submitted to the Audit Committee regularly.

The Internal Audit and Compliance of the Company serves as a facilitator and change management agent to improve Company's good governance and compliance through internal audit processes, post-audit follow up and fraud prevention recommendations to business entities and work closely with each of business units to support compliance with the existing Code of Conduct and to foster overall Corporate Good Governance.

The Audit Committee's Principal Activities during the Year

In 2017, the Committee's principal activities including the following matters:

1. Approved quarterly financial statement and reviewed full year financial statements, and provided assessments and recommendations to the Board of Directors.
2. Reviewed the updated Internal Audit to be in line with business expansion, and proposed for the Board Approval.
3. Reviewed and approved Internal Audit plan including reviews the results of internal audit reports and their agreed improvement actions.

The Audit Committee Provided the Following Opinions:

1. The Company's 2017 financial reports are accurate, complete and reliable.
2. The Company complied with the securities law, the Exchange's regulations, and other laws relating to the Company's business.
3. The Company's Internal Audit and Compliance Department performed its duty appropriately and effectively.
4. EY Office Limited, the Company's auditor, is suitable and provided appropriate services.
5. The related transactions arising in 2017 were rational and contributed optimal benefits of the Company.
6. For the year 2017, the Audit Committee held 12 meetings to review the Company's consolidated financial statements that had been certified by the external auditor and internal audit results and corrective actions. The attendance of meetings by each committee member was as follows;

Full Name	No. of Attendances / Total Meeting
1. Pol.Lt.Gen. Visanu Prasattongosoth	12/12
2. Mr. Phaiboon Siripanoosatien	12/12
3. Mr. Kittisak Bencharit	12/12

7. The Audit Committee performed its duties in accordance with its Charter that was approved by the Board of Directors.

The Audit Committee has recommended to the Board of Directors that EY Office Limited, be re-appointed as the Company's auditor for the financial year ending 31 December 2018. The re-appointment of the audit firm and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on April 24, 2018.



Pol. Lt. Gen. Visanu Prasattongosoth

Chairman of the Audit Committee

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Finansia Syrus Securities Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Finansia Syrus Securities Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Finansia Syrus Securities Public Company Limited for the same year.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Finansia Syrus Securities Public Company Limited and its subsidiary and of Finansia Syrus Securities Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of brokerage fees and interest income on margin loans

The Group's core revenues consisted of brokerage fees and interest income on margin loans, totaling Baht 1,250 million, representing 75 percent of the total revenues. The Company charges brokerage fees income at percentages of trading volume, which are freely negotiated, and based on a sliding scale fee structure, whereas interest income on margin loans is charged at fixed rates that are adjusted periodically based on market conditions and competitive environment. Because of the size and volume of transactions, the large number of customers, the fees charged to customers being dependent on various factors, and the recognition of revenue from brokerage fees and interest income on margin loans relying primarily on data processed by information and technology systems, I therefore focused on examining that brokerage fees and interest income on margin loans are recognised correctly as actually incurred.

I assessed and tested, on a sampling basis, the operation of the Company's internal controls relevant to recognition of brokerage fees and interest income on margin loans, the IT controls relevant to the calculation of brokerage fees and interest income on margin loans and checked, on a sampling basis, the brokerage rates, interest rates, calculation and recording. In addition, I performed analytical procedures on brokerage fees and interest income on margin loans and tested, on a sampling basis, material manual adjustments made through journal vouchers.

Allowance for doubtful accounts on securities and derivatives business receivables

As discussed in Note 4.8 to the financial statements, the Company set aside allowance for doubtful accounts, taking into consideration, status of each debtor, collection risk and the value of the collateral. For securities trading and credit balance transactions, the Company has policies regarding the collateral to be placed, with the value of collateral required dependent on the type of transaction, type of securities and credit limit, among other factors. The estimation of allowance for doubtful accounts on securities and derivatives business receivables is important because of the number of customers and the significance to the Company's financial statements (As at 31 December 2017, securities business receivables were Baht 3,925 million, representing 66 percent of the Group's total assets). Therefore, I focused on the adequacy of allowance for doubtful accounts on such receivables.

I have performed audit procedures on the adequacy of allowance for doubtful accounts as follows:

- I assessed, and tested on a sampling basis, the Company's internal controls relevant to the status of receivables, calculation of collateral value, calculation of allowance for doubtful accounts and the recording of allowance for doubtful accounts. I also assessed the methods applied by the Company in determination and calculation of the allowance for doubtful accounts, and compared the Company's policies with the regulatory requirements. I tested, on a sampling basis, the operation of the IT controls relevant to the calculation of the collateral value and the revaluation adjustments made to the fair values of collateral.
- I examined the adequacy of allowance for doubtful accounts as at the end of reporting period by testing, on a sampling basis, the data used in calculation of allowance for doubtful accounts, the status of receivables, the valuation of collateral, the collections after the end of reporting period, the debt classification and the calculation of the allowance for doubtful accounts.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my 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 ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 20 February 2018

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Assets					
Cash and cash equivalents	6, 30.3	140,522,829	705,914,603	114,463,433	690,882,423
Receivables from Clearing House and broker-dealers	7	149,724,393	263,020,018	149,724,393	263,020,018
Securities and derivatives business receivables	8	3,925,107,300	4,452,785,333	3,925,107,300	4,452,785,333
Derivatives assets	9	961,652	1,537,688	961,652	1,537,688
Investments	10	973,542,869	518,578,118	973,542,869	518,578,118
Loans to employees		266,558	1,501,876	266,558	1,501,876
Investments in a subsidiary, an associate and a joint venture	11	225,669,644	360,291,404	230,803,146	438,162,291
Equipment	12	71,737,726	45,485,676	71,737,726	45,485,676
Intangible assets	13	253,079,923	34,816,821	253,079,923	34,816,821
Deferred tax assets	14.1	23,702,309	16,117,581	23,598,041	17,099,061
Other assets	15	188,524,511	140,711,180	191,680,719	142,631,124
Total assets		5,952,839,714	6,540,760,298	5,934,965,760	6,606,500,429
Liabilities and owners' equity					
Liabilities					
Borrowings from financial institutions	16	200,000,000	-	200,000,000	-
Payables to Clearing House and broker-dealers	17	909,729,983	1,476,895,005	909,729,983	1,476,895,005
Securities and derivatives business payables	18	1,573,696,190	2,114,091,837	1,573,696,190	2,114,091,837
Derivatives liabilities	9	88,506,729	35,759,293	88,506,729	35,759,293
Income tax payable		10,162,133	42,487,634	9,515,980	42,487,632
Debt issued	19	158,856,887	-	158,856,887	-
Provision for employee benefits	20	61,139,130	54,376,477	57,375,853	51,720,055
Other payables	21	1,439,163	1,635,244	1,439,163	1,635,244
Other liabilities	22	353,848,634	313,817,446	353,055,380	312,874,613
Total liabilities		3,357,378,849	4,039,062,936	3,352,176,165	4,035,463,679

The accompanying notes are an integral part of the financial statements.

Finansia Syrus Securities Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Owners' equity					
Share capital					
Issued and paid-up share capital					
581,403,025 ordinary shares of Baht 1.60 each		930,244,840	930,244,840	930,244,840	930,244,840
Share premium		620,892,885	620,892,885	620,892,885	620,892,885
Capital reserve for share-based payment transactions		322,946	322,946	322,946	322,946
Deficit as a result of change in holding percentage					
in a subsidiary		(251,580)	(251,580)	-	-
Retained earnings					
Appropriated - statutory reserve	23	78,640,769	74,193,345	78,640,769	74,193,345
Unappropriated		965,867,466	870,600,281	952,688,155	945,382,734
Other component of owners' equity					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(938,307)	5,328,448	-	-
Total equity attributable to the Company's shareholders		2,594,779,019	2,501,331,165	2,582,789,595	2,571,036,750
Non-controlling interests of the subsidiary		681,846	366,197	-	-
Total owners' equity		2,595,460,865	2,501,697,362	2,582,789,595	2,571,036,750
Total liabilities and owners' equity		5,952,839,714	6,540,760,298	5,934,965,760	6,606,500,429

The accompanying notes are an integral part of the financial statements.

Finasia Syrus Securities Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Income					
Brokerage fees income	24, 30.2	1,169,079,301	1,436,023,106	1,169,079,301	1,436,023,106
Fees and service income	25	148,573,511	128,285,868	148,573,511	128,285,868
Interest income on margin loans		80,526,168	77,257,955	80,526,168	77,257,955
Gain and return on financial instruments	26	250,833,020	228,849,411	250,833,020	228,849,411
Shares of loss from investments in an associate and a joint venture	11.2	(22,254,040)	(34,436,354)	-	-
Gain from charge in a joint venture proportion		9,874,074	-	-	-
Other income	30.2	18,538,156	19,694,288	22,138,156	23,263,166
Total income		1,655,170,190	1,855,674,274	1,671,150,156	1,893,679,506
Expenses					
Employee benefits expenses	20, 27	903,145,856	994,310,978	873,145,342	958,258,152
Fees and service expenses		146,238,201	159,522,765	146,183,201	159,462,765
Finance costs		31,135,553	27,111,517	31,135,553	27,111,517
Bad debt and doubtful accounts (reversal)		5,660,196	(300,000)	5,660,196	(300,000)
Loss from impairment on investment	11.1	842,088	-	47,756,833	-
Loss on sale of investment in a joint venture proportion	11.1	291,427	-	45,742,698	-
Other expenses	30.2	359,591,935	367,363,485	404,503,533	408,162,149
Total expenses		1,446,905,256	1,548,008,745	1,554,127,356	1,552,694,583
Profit before income tax		208,264,934	307,665,529	117,022,800	340,984,923
Income tax	14.2	(31,009,824)	(76,322,218)	(28,074,333)	(73,481,696)
Profit for the year		177,255,110	231,343,311	88,948,467	267,503,227
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency - net of income tax		(6,266,755)	(13,072)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(6,266,755)	(13,072)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income from investments in joint venture - net of income tax		467,821	-	-	-
Actuarial loss - net of income tax		(2,110,293)	-	(1,613,242)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(1,642,472)	-	(1,613,242)	-
Other comprehensive income for the year		(7,909,227)	(13,072)	(1,613,242)	-
Total comprehensive income for the year		169,345,883	231,330,239	87,335,225	267,503,227

The accompanying notes are an integral part of the financial statements.

Finansia Syrus Securities Public Company Limited and its subsidiary
Statement of comprehensive income (continued)
For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
The Company's shareholders		176,920,803	231,318,289	88,948,467	267,503,227
Non-controlling interests of the subsidiary		334,307	25,022		
		177,255,110	231,343,311		
Comprehensive income attributable to:					
The Company's shareholders		169,030,234	231,305,217	87,335,225	267,503,227
Non-controlling interests of the subsidiary		315,649	25,022		
		169,345,883	231,330,239		
Earnings per share					
Basic earnings per share					
Profit attributable to shareholders of the Company	28	0.30	0.40	0.15	0.46

The accompanying notes are an integral part of the financial statements.

Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax	208,264,934	307,665,529	117,022,800	340,984,923
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	45,470,796	45,949,590	45,470,796	45,949,590
Bad debt and doubtful accounts (reversal)	5,660,196	(300,000)	5,660,196	(300,000)
(Gain) loss on disposals and write-off of equipment and intangible assets	5,977,405	2,089,997	5,977,405	2,089,997
Loss from impairment on investment	842,088	-	47,756,833	-
Loss on sale of investment in a joint venture	291,427	-	45,742,698	-
Gain from change in a joint venture proportion	(9,874,074)	-	-	-
Unrealised (gain) loss on revaluation of trading investments	(2,532,520)	729,449	(2,532,520)	729,449
Unrealised (gain) loss on revaluation of derivatives	(13,043,522)	(2,383,741)	(13,043,522)	(2,383,741)
Share of loss from investments in an associate and a joint venture	11.2 22,254,040	34,436,354	-	-
Provision for employee benefits	7,670,187	7,107,543	7,184,646	6,721,390
Interest and dividend income	(57,618,296)	(55,598,209)	(57,618,296)	(55,598,209)
Interest income on margin loans	(80,526,168)	(77,257,955)	(80,526,168)	(77,257,955)
Finance costs	31,049,636	26,954,465	31,049,636	26,954,465
Amortisation of interest expense on financial lease agreement	85,917	157,052	85,917	157,052
Amortisation of discount or debt issued	(1,143,113)	-	(1,143,113)	-
Profit from operating activities before changes in operating assets and liabilities	162,828,933	289,550,074	151,087,308	288,046,961
(Increase) decrease in operating assets				
Receivables from Clearing Houses and broker-dealers	119,688,452	233,524,121	119,688,452	233,524,121
Securities and derivatives business receivables	521,282,298	(2,417,200,219)	521,282,298	(2,417,200,219)
Investments	(453,274,319)	(73,218,633)	(453,274,319)	(73,218,633)
Loan to employees	1,235,318	(79,602)	1,235,318	(79,602)
Other assets	(52,930,862)	(11,645,971)	(52,911,861)	(13,187,890)
Increase (decrease) in operating liabilities				
Payables to Clearing Houses and broker-dealers	(567,165,022)	1,292,074,332	(567,165,022)	1,292,074,332
Securities and derivatives business payables	(540,395,647)	923,706,306	(540,395,647)	923,706,306
Derivatives liabilities	59,974,167	43,127,565	59,974,167	43,127,565
Paid for long-term employee benefits	(3,545,400)	-	(3,545,400)	-
Other payables	(196,081)	(4,537)	(196,081)	(4,537)
Other liabilities	(55,825,070)	98,442,610	(55,675,489)	98,431,724
Cash received (paid) from operating activities	(808,323,233)	378,276,046	(819,896,276)	375,220,128
Proceeds on interest and dividend income	142,742,269	122,896,257	142,742,269	122,896,257
Cash paid on interest expense	(31,222,617)	(26,757,046)	(31,222,617)	(26,757,046)
Cash paid on income tax expense	(67,687,482)	(57,241,973)	(67,141,655)	(56,145,438)
Net cash provided by (used in) operating activities	(764,491,063)	417,173,284	(775,518,279)	415,213,901

The accompanying notes are an integral part of the financial statements.

Finansia Syrus Securities Public Company Limited and its subsidiary
Statement of cash flows (continued)
For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from investing activities					
Cash received (paid) from investing activities					
Cash received from disposal of investment in a joint venture		114,701,702	-	114,701,702	-
Proceeds on disposals of equipment		676,589	1,950,435	676,589	1,950,435
Cash paid for purchases of equipment		(59,065,269)	(12,890,163)	(59,065,269)	(12,890,163)
Cash paid for purchases of intangible assets		(140,483,013)	(7,340,268)	(140,483,013)	(7,340,268)
Net cash provided by (used in) investing activities		(84,169,991)	(18,279,996)	(84,169,991)	(18,279,996)
Cash flows from financing activities					
Cash received (paid) from financing activities					
Cash received from borrowings from financial institutions		200,000,000	-	200,000,000	-
Cash received from debt issued		160,000,000	-	160,000,000	-
Cash paid for liabilities under finance lease agreement		(1,148,340)	(1,148,340)	(1,148,340)	(1,148,340)
Dividend paid	29	(75,582,380)	(75,582,393)	(75,582,380)	(75,582,393)
Net cash provided by (used in) financing activities		283,269,280	(76,730,733)	283,269,280	(76,730,733)
Net increase (decrease) in cash and cash equivalents		(565,391,774)	322,162,555	(576,418,990)	320,203,172
Cash and cash equivalents at the beginning of the year		705,914,603	383,752,048	690,882,423	370,679,251
Cash and cash equivalents at the ending of the year		140,522,829	705,914,603	114,463,433	690,882,423

The accompanying notes are an integral part of the financial statements.

Finasia Syrus Securities Public Company Limited and its subsidiary
Statement of changes in owners' equity
For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements										
Note	Equity attributable to of the Company's shareholders					Other component of owners' equity				
	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Deficit as a result of change in holding percentage in the subsidiary	Retained earnings	Exchange differences on translation of financial statements in foreign currency - net of income tax	Total equity attributable to the Company's shareholders	Non-controlling interest of the subsidiary	Total	owners' equity
Balance as at 1 January 2016	930,244,840	620,892,885	322,946	(251,580)	60,818,183	5,341,520	2,345,608,341	341,175	2,345,949,516	
Profit for the year	-	-	-	-	231,318,289	-	231,318,289	25,022	231,343,311	
Other comprehensive income for the year	-	-	-	-	-	(13,072)	(13,072)	-	(13,072)	
Total comprehensive income for the year	-	-	-	-	231,318,289	(13,072)	231,305,217	25,022	231,330,239	
Dividend paid	-	-	-	-	(75,582,393)	-	(75,582,393)	-	(75,582,393)	
Appropriated to statutory reserve	-	-	-	-	(13,375,162)	-	-	-	-	
Balance as at 31 December 2016	930,244,840	620,892,885	322,946	(251,580)	74,183,345	5,328,448	2,501,331,165	366,197	2,501,697,362	
Balance as at 1 January 2017	930,244,840	620,892,885	322,946	(251,580)	74,183,345	5,328,448	2,501,331,165	366,197	2,501,697,362	
Profit for the year	-	-	-	-	176,920,803	-	176,920,803	334,307	177,255,110	
Other comprehensive income for the year	-	-	-	-	(1,623,844)	(6,266,755)	(7,890,599)	(18,658)	(7,909,227)	
Total comprehensive income for the year	-	-	-	-	175,296,959	(6,266,755)	169,030,234	315,649	169,345,883	
Dividend paid	-	-	-	-	(75,582,380)	-	(75,582,380)	-	(75,582,380)	
Appropriated to statutory reserve	-	-	-	-	(4,447,424)	-	-	-	-	
Balance as at 31 December 2017	930,244,840	620,892,885	322,946	(251,580)	78,640,769	(938,307)	2,594,779,019	681,846	2,595,460,865	

The accompanying notes are an integral part of the financial statements.

Finisia Syrus Securities Public Company Limited and its subsidiary

Statement of changes in owners' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings	Total owners' equity
					Appropriated - statutory reserve	Unappropriated
Balance as at 1 January 2016		930,244,840	620,892,885	322,946	60,818,183	766,837,062
Profit for the year		-	-	-	-	267,503,227
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	267,503,227
Dividend paid	29	-	-	-	-	(75,582,393)
Appropriated to statutory reserve	23	-	-	-	13,375,162	(13,375,162)
Balance as at 31 December 2016		930,244,840	620,892,885	322,946	74,193,345	945,382,734
Balance as at 1 January 2017		930,244,840	620,892,885	322,946	74,193,345	945,382,734
Profit for the year		-	-	-	-	88,948,467
Other comprehensive income for the year		-	-	-	-	(1,613,242)
Total comprehensive income for the year		-	-	-	-	87,335,225
Dividend paid	29	-	-	-	-	(75,582,380)
Appropriated to statutory reserve	23	-	-	-	4,447,424	(4,447,424)
Balance as at 31 December 2017		930,244,840	620,892,885	322,946	78,640,769	952,688,155
						2,582,789,595

The accompanying notes are an integral part of the financial statements.

Finansia Syrus Securities Public Company Limited and its subsidiary
Notes to consolidated financial statements
For the year ended 31 December 2017

1. General information

Finansia Syrus Securities Public Company Limited (“the Company”) is a public company incorporated under Thai laws and domiciled in Thailand. Its major shareholders are Finansia Public Company Limited and Industrial and Commercial Bank of China (Thai) Public Company Limited, which hold shares in the Company at the rates of 29.29% and 22.29%, respectively, of the Company’s issued and paid-up share capital. The Company’s registered address and head office are located at No. 999/9, 18th and 25th floors of The Offices at Centralworld, Rama 1 Road, Pathumwan Sub-district, Pathumwan District, Bangkok.

The Company has been operating its businesses in Thailand and undertaken business licenses as follows:

1. Securities brokerage
2. Securities trading
3. Investment advisory
4. Securities underwriting
5. Financial advisory
6. Derivatives brokerage
7. Securities borrowing and lending

As at 31 December 2017 and 2016, the Company had 31 branches and 34 branches, respectively.

2. Basis for preparation of financial statements

- 2.1** The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and the principles stipulated by the Office of the Securities and Exchange Commission (“SEC”). The presentation of the financial statements has been made in compliance with the requirement of the Notification of the SEC relating to the format of the financial statements of securities companies (Version 2), No. SorThor. 22/2559 dated 2 June 2016.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- (a) The consolidated financial statements included the financial statements of the Company and the following subsidiary company ("the subsidiary"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			31 December 2017	31 December 2016
			(%)	(%)
FSS International Investment Advisory Securities Company Limited	Advisory	Thailand	96.25	96.25

- (b) The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiary is fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as those of the Company.
- (e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within owners' equity in the consolidated statement of financial position.
- (g) The net assets in the financial statements of an overseas associate are translated into Baht using the exchange rate prevailing at the end of the reporting periods. Profit or loss of the associate is translated using a monthly average exchange rate. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" and presented as a part of other component of owners' equity in the statements of financial position.

2.3 Separate financial statements

The Company has prepared its separate financial statements, which present investments in a subsidiary, an associate and a joint venture under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiary believe that the revised and new financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

(a) Brokerage fees income

Brokerage fees income on securities and derivatives trading are recognised as revenue on the transaction dates.

(b) Fees and service income

Fees and service income are recognised as revenue, taking into account the stage of completion, which is measured based on service performed to date as a percentage of total service to be performed. Revenue is recognised when it is probable that the amount will be collected.

(c) Interest income on margin loans

Interest income is recognised as it accrues based on the effective rate method, except that there is uncertainty as to the collectability of loans and interest, the Company ceases accrual.

The following cases are considered as uncertainty of collectability of loans and interest.

- (1) Receivables from general debtors, which are not fully collateralised.
- (2) Installment loans with repayments scheduled less frequently than every three months and for which principal or interest is overdue longer than three months.
- (3) Installment loans with repayments scheduled longer than every three months, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- (4) Problem financial institutions.
- (5) Other receivables from which interest payment is overdue for three months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission ("SEC").

(d) Gain and return on financial instruments

Gain (loss) on investments and derivatives

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

Interest and dividend

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

4.2 Expenses recognition

Expenses are recognised on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, all bank deposit accounts with an original maturity less than 3 months, promissory notes and term notes with an original maturity less than 3 months and exclude deposits used as collateral.

4.4 Recognition and derecognition of customers' assets

Cash received from customers on their cash balance accounts, credit balance accounts and derivatives trading accounts are recorded as assets and liabilities of the Company for internal control purposes. At the end of the reporting period, the Company excludes these amounts from its both assets and liabilities and presents only those belong to the Company.

4.5 Receivables from/payables to Clearing House and broker-dealer

Receivables from/payables to Clearing House and broker - dealer comprise the net receivable from/payables to Thailand Clearing House (TCH) for settlement of equity securities trading and derivatives trading, including cash collateral pledged with TCH for derivatives trading instruments and receivable/payables from overseas securities companies in respect of overseas securities trades settle through those companies.

4.6 Securities and derivatives business receivables

Securities and derivatives business receivables are the balances of securities business receivables and derivatives business receivables and including accrued interest receivables after deducting allowance for doubtful accounts.

Securities business receivables comprise receivables on cash accounts, credit balance receivables for which the securities purchased are used as collateral, securities borrowing and lending receivables and guaranteed deposit receivables which comprise cash placed as guarantee for borrowers of securities and other receivables (such as overdue in cash accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are being settled in installments).

4.7 Securities borrowing and lending

The Company 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 periods, the balance of securities borrowing and lending payables are adjusted by the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the reporting period. Gains or losses arising from such adjustment are recorded in profit or loss in the statement of comprehensive income. Securities lent to customers are recorded as "Securities borrowing and lending receivables" in the statements of financial position. Cash paid or received as collateral for securities borrowing and lending is recorded as "Collateral receivables" or "Collateral payables". Fees on securities borrowing and lending are recognised on an accrual basis.

4.8 Allowance for doubtful accounts

The Company has provided an allowance for doubtful accounts based on a review of each debtor's repayment capability, taking into consideration the risk of recovery and the value of the collateral. An allowance will be set aside for doubtful accounts that their collaterals are not fully covered and/or debtors can not be recovered in full. Such debt classifications and allowances are made in accordance with guidelines stipulated by the Office of the Securities and Exchange Commission ("SEC") as the following criteria:

- (a) Debts classified as bad debts are defined as follows:
 - (1) Debts which the Company has made effort to follow up, but could not collect repayment. The Company has written them off in accordance with tax law.
 - (2) Debts on which the Company has forgiven.
- (b) Doubtful debt is defined as the uncollateralised portion of the debt which meets the following criteria:
 - (1) Debtors in general, problem financial institutions, and other debtors which have the value of the underlying collateral less than the debts.
 - (2) Installment loans with repayments scheduled no longer than three months for each installment, which principal or interest is overdue by three months or more.
 - (3) Installment loans with repayments scheduled longer than three months for each installment, unless there is clear evidence and high degree of certainty that full is recovered.
- (c) Sub-standard debt is defined as the collateralised portion of debts, which meet the criteria in (b).

Bad debts will be written off when identified. Full allowance of the debt balance will be set aside for debts classified as doubtful. These conditions are complied with the guidelines stipulated by the Office of the Securities and Exchange Commission ("SEC").

4.9 Investments

- (a) Investments in securities held for trading are determined at fair value. Changes in the fair value of these securities are recorded in profit or loss in the statement of comprehensive income.
- (b) Investments in deposits at financial institutions are fixed deposits with original maturity within 3 months from the date of acquisition, but the Company intends to roll-over them, or deposits subject to withdrawal restrictions.

- (c) Investments in non-marketable equity securities which the Company classified as general investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the reporting period. The fair value of investment units is determined based on their net asset value at the end of the reporting period.

Impairment loss (if any) is recognised in profit or loss.

In the event that the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recognised in profit or loss or in other component of owners' equity depending on the type of investment that is reclassified.

Purchase and sales of investments are recorded on trade date. On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised as revenue or expense in profit or loss. The weighted average method is used for computation of the cost of investment.

4.10 Loans

Loans to employees under welfare program are recognised initially at the amount granted to the employees and are subsequently stated at amorised cost, based on the effective interest rate. Returns are recognised in the statement of comprehensive income over the term of loan.

4.11 Investments in a subsidiary, an associate and a joint venture

- (a) Consolidated financial statements

Investments in an associate and a joint venture are accounted for in the consolidated financial statements using the equity method.

- (b) Separate financial statements

Investments in a subsidiary, an associate and a joint venture are stated in the separate financial statements at cost net of allowance for impairment loss (if any).

4.12 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of equipment is calculated by reference to their cost on the straight-line method over the following estimated useful lives:

Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

No depreciation is provided for equipment under installation.

Depreciation is included in profit or loss.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.13 Intangible assets and amortisation

Intangible assets are recognised at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and allowance for impairment (if any).

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

Intangible assets with finite useful lives are amortised on a straight line method over the estimated period of their economic benefits as follows:

Futures Exchange membership fee	10 years
Retail brokerage business acquisition cost	2 years
Computer softwares	5 -15 years
Right to use system	5 years

No amortisation is provided for computer softwares under development.

4.14 Income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

At each reporting date, the Company and its subsidiary 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 assets to be utilised.

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

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised in profit or loss when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying value.

4.16 Borrowings from financial institution

Borrowings from financial institution is recognised initially at the fair value of the proceeds received. borrowings from financial institution is subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

4.17 Securities and derivatives business payables

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

4.18 Debt issued

Debt issued is recognised initially at the fair value of the proceeds received. Debt issued is subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

4.19 Provisions for liabilities

Provisions for liabilities are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.20 Employee benefits

(a) Short-term employee benefits

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

(b) Post-employment benefits

Defined contribution plan

The Company, the subsidiary and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and contributions of the Company and its subsidiary are recognised as expenses when incurred.

Defined benefit plan

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from the defined benefit plan are recognised in other comprehensive income or loss and as a part of retained earnings.

4.21 Long-term leases

Leases of equipment, which transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the lower of the useful life of the asset or lease periods.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership to the Company and its subsidiary are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line method over the lease term.

4.22 Related party transactions

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

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

4.23 Foreign currencies

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

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

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

4.24 Derivatives

(a) Derivative warrants

The Company initially recognises the fair value of derivative warrants as derivatives liabilities and will subsequently recognise unrealised gains or losses resulting from changes in the fair values of derivative warrants in profit or loss in the statement of comprehensive income. The fair value of marketable derivative warrants being calculated with reference to the last offer price quoted on the Stock Exchange of Thailand on the last working day of the year.

(b) Futures

The Company initially recognises future as off-balance transactions. Gains (losses) from changes in the fair value of the future is induced in profit or loss in the statement of comprehensive income. The fair value of marketable future being calculated with reference to the last bid/offer prices quoted on Thailand Futures Exchange Public Company Limited on the last working day of the year.

(c) Forward exchange contracts

Forward exchange contracts are initially recognised as off-balance transactions. Gains (losses) from changes in the fair value of derivatives is included in profit or loss. The fair value of forward foreign currency contracts is determined based on an average rate of buying or selling for the remaining period of each contract.

4.25 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorisation of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiary determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

5.2 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (the Company and its subsidiary and their counterparties) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these variables could affect the fair value recognised in the statements of financial position and reported in disclosures of fair value hierarchy.

5.3 Allowance for doubtful accounts on securities and derivatives business receivables

Allowances for doubtful accounts on securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each debtor when there is any doubt about the debtor's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

5.4 Allowance for impairment on investments

The Company and its subsidiary treat investments in equity securities as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

5.5 Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of equipment and to review estimated useful lives and residual values when there are any changes.

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

5.6 Intangible assets

The initial recognition and measurement of intangible assets and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.7 Deferred tax assets

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

5.8 Provision for employee benefits

Provision for employee benefits is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, mortality rate and staff turnover rate.

5.9 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether or not significant risk and rewards of ownership of the leased asset has been transferred to the Company and its subsidiary, taking into consideration terms and conditions of the arrangement.

5.10 Litigation

The Company and its subsidiary have contingent liabilities as a result of litigation whereby the management have used judgement to assess the outcome of the litigation cases. In case where the management believe that loss will not be incurred, no contingent liabilities will be recorded for such cases.

6. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Cash, short-term deposits and short-term note receivables with original maturity periods of less than 3 months	903,573,104	1,499,593,472	877,513,708	1,484,561,292
Less: Cash deposits held for customers	(763,050,275)	(793,678,869)	(763,050,275)	(793,678,869)
Cash and cash equivalents	140,522,829	705,914,603	114,463,433	690,882,423

Supplemental cash flows information

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017	2016	2017	2016
Non-cash items:				
Purchase of equipment and intangible assets on credit	97,487,566	395,907	97,487,566	395,907
Actuarial loss on provision for employee benefits	2,637,866	-	2,016,552	-

7. Receivables from Clearing House and broker-dealers

(Unit: Baht)

Consolidated and separate financial statements		
	31 December 2017	31 December 2016
Receivables from Clearing House	182,582,910	291,789,297
Receivables from overseas securities companies	124,124,090	39,383,028
Receivables from securities company	200,000	-
Less: Receivables from Clearing House held for customers' account	(39,777,166)	(39,189,157)
Less: Receivables from overseas securities companies for customers' account	(117,405,441)	(28,963,150)
Receivables from Clearing House and broker-dealers	149,724,393	263,020,018

8. Securities and derivatives business receivables

(Unit: Baht)

Consolidated and separate financial statements		
	31 December 2017	31 December 2016
<u>Securities business receivables</u>		
Cash accounts receivables	2,630,767,216	3,068,977,356
Credit balance accounts	1,266,588,460	1,342,841,478
Collateral receivables	9,557,050	15,624,093
Securities borrowing and lending receivables	9,586,850	16,182,700
Other receivables	70,138,341	70,416,493
Total securities business receivables	3,986,637,917	4,514,042,120
Add: Accrued interest receivables	6,563,504	7,299,043
Less: Allowance for doubtful accounts	(69,549,426)	(69,849,426)
Securities business receivables	3,923,651,995	4,451,491,737
<u>Derivatives business receivables</u>		
Derivatives business receivables	1,455,305	1,293,596
Other receivables	5,960,196	-
Less: Allowance for doubtful accounts	(5,960,196)	-
Securities and derivatives business receivables	3,925,107,300	4,452,785,333

8.1 Non-accrued securities and derivatives business receivables

As at 31 December 2017 and 2016, the Company has securities and derivatives business receivables (included accrued interest receivables) of Baht 76 million and Baht 70 million, respectively, for which the recognition of interest income has been ceased and the Company has set aside allowances for doubtful accounts of Baht 76 million and Baht 70 million, respectively.

8.2 Classification of securities and derivatives business receivables

As at 31 December 2017 and 2016, the Company has classified securities and derivatives business receivables in accordance with the Office of the Securities and Exchange Commission's Notification regarding accounting for non-performing debts of securities companies as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2017			31 December 2016		
	Net			Net		
	debt balance			debt balance		
	after allowance			after allowance		
	Debt balance	Allowance for doubtful accounts	for doubtful accounts	Debt balance	Allowance for doubtful accounts	for doubtful accounts
Normal debt	3,925	-	3,925	4,453	-	4,453
Sub-standard debts	-	-	-	-	-	-
Doubtful debts	76	(76)	-	70	(70)	-
Total	4,001	(76)	3,925	4,523	(70)	4,453

8.3 Allowance for doubtful accounts

(Unit: Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2017	2016
Balances - beginning of the year	69,849,426	70,149,426
Allowance for doubtful accounts (reversal)	5,660,196	(300,000)
Balances - end of the year	75,509,622	69,849,426

9. Derivatives assets and liabilities

(Unit: Baht)

	Consolidated and separate financial statements		
	31 December 2017		
	Fair value		Notional
	Assets	Liabilities	amount
Trading derivatives			
Derivatives warrants	-	87,284,310	2,146,315,620
Futures ⁽¹⁾	-	-	400,866,161
Forward exchange contracts	961,652	1,222,419	667,816,035
Total	961,652	88,506,729	3,214,997,816

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of outstanding futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 31 December 2017, the fair value of derivative assets and liabilities for futures contracts are Baht 8 million and Baht 4 million respectively.

(Unit: Baht)

	Consolidated and separate financial statements		
	31 December 2016		
	Fair value		Notional
	Assets	Liabilities	amount
Trading derivatives			
Derivatives warrants	-	33,630,100	1,024,709,799
Futures ⁽¹⁾	-	-	173,325,548
Forward exchange contracts	1,537,688	2,129,193	1,292,969,193
Total	1,537,688	35,759,293	2,491,004,540

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of outstanding futures contracts as at the end of period included in "Receivables from Clearing House and broker-dealers". As at 31 December 2016, the fair value of derivative liabilities for futures contracts are Baht 3 million.

Forward exchange contracts have a short-term maturity period and delivery method is cash settlement between contract buying/selling rates and buying/selling rates as quoted by the Bank of Thailand on the contract maturity dates. Therefore, real exposure under forward exchange contracts would be such price difference.

Delivery method of the derivatives warrants is cash settlement between the close price of the underlying asset as quoted on the last trading date and the exercise price.

9.1 Gain (loss) on derivatives

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2017	2016
Realised gain (loss) on derivatives trading	84,366,830	39,816,604
Unrealised gain (loss) on revaluation of derivatives	13,043,521	2,383,741
Total	97,410,351	42,200,345

10. Investments

10.1 Cost value and fair value

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2017		31 December 2016	
	Cost value/ amortised cost	Fair value	Cost value/ amortised cost	Fair value
Trading securities				
Equity securities	969,998,612	970,196,714	366,724,293	365,578,003
Investment units	150,000,000	151,346,155	150,000,000	150,158,027
Add (less): Revaluation allowance	1,544,257		(988,263)	
Less: Investment held for customers	(150,000,000)		-	
Trading securities	971,542,869		515,736,030	
Held-to-maturity securities				
Fixed deposits	2,451,268,989		2,601,258,885	
Less: Investment held for customers	(2,451,268,989)		(2,601,258,885)	
Held-to-maturity securities	-		-	
General investments				
Equity securities	19,952,465		19,952,465	
Less: Allowance for impairment	(17,952,465)		(17,110,377)	
General investments	2,000,000		2,842,088	
Investments	973,542,869		518,578,118	

10.2 Investments in deposits at financial institutions

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2017			
	Within 1 year	1 - 5 years	No maturity	Total
Held-to-maturity securities				
Fixed deposits	2,451,268,989	-	-	2,451,268,989
Less: Investments held for customers	(2,451,268,989)	-	-	(2,451,268,989)
Total	-	-	-	-

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2016			
	Within 1 year	1 - 5 years	No maturity	Total
Held-to-maturity securities				
Fixed deposits	2,601,258,885	-	-	2,601,258,885
Less: Investments held for customers	(2,601,258,885)	-	-	(2,601,258,885)
Total	-	-	-	-

10.3 Gain (loss) on investments

(Unit: Baht)

	For the years ended 31 December	
	2017	2016
Realised gain (loss) on trading securities	93,263,513	130,582,806
Unrealised gain (loss) on revaluation of trading securities	2,532,520	468,050
Total	95,796,033	131,050,856

11. Investments in a subsidiary, an associate and a joint venture

11.1 Details of investments in a subsidiary, an associate and a joint venture

Investments in a subsidiary, an associate and a joint venture as at 31 December 2017 and 2016 were as follows:

Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital		Percentage of shareholding		Investment value under equity method	
					31	31	31	31	31	31
					December	December	December	December	December	December
					2017	2016	2017	2016	2017	2016
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Associate										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	115,317	111,582
Total Investment in an associate									115,317	111,582
Joint venture										
SBI Thai Online Securities Co., Ltd.	Securities	Thailand	Equity securities	Baht	802,222	722,222	20.51	45.00	110,353	248,709
Total Investment in a joint venture									110,353	248,709
Total investments in an associate and a joint venture									225,670	360,291
Separate financial statements										
Company's name	Nature of business	Country of incorporation	Type of investment	Currency	Issued and paid-up share capital		Percentage of shareholding		Investment value under cost method	
					31	31	31	31	31	31
					December	December	December	December	December	December
					2017	2016	2017	2016	2017	2016
					(Thousand units)	(Thousand units)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Subsidiary										
FSS International Investment Advisory Securities Co., Ltd.	Advisory	Thailand	Equity securities	Baht	8,000	8,000	96.25	96.25	7,700	7,700
Total Investment in a subsidiary									7,700	7,700
Associate										
SBI Royal Securities Plc.	Securities	Cambodia	Equity securities	Cambodian Riel (KHR)	63,960,000	63,960,000	20.01	20.01	105,462	105,462
Total Investment in an associate									105,462	105,462
Joint venture										
SBI Thai Online Securities Co., Ltd.	Securities	Thailand	Equity securities	Baht	802,222	722,222	20.51	45.00	164,555	325,000
Less : Allowance for impairment									(46,914)	-
Total Investment in a joint venture									117,641	325,000
Total investments in a subsidiary, an associate and a joint venture									230,803	438,162

- (a) On 31 May 2017, SBI Thai Online Securities Company Limited which is a joint venture, increased its share capital 800,000 ordinary shares with a par value of Baht 100 each or a total of Baht 80,000,000 to existing shareholding, and the Company waived its right to subscribe the newly - issued shares of such joint venture entity. As a result, the Company's shareholding percentage in SBI Thai Online Securities Company Limited has changed from 45.00% to 40.51%, resulting in accounting gain incurred from the new book value of investment under the new shareholding being higher than previous book value of Baht 9.87 million presented in the consolidated comprehensive income for the year ended 31 December 2017.
- (b) Moreover, on 26 June 2017, a meeting of the Company's Board of Directors resolved to approve the sale of its investment in SBI Thai Online Securities Company Limited to that company's major shareholder. On 31 July 2017, the Company and the purchaser have entered into a Share Purchase Agreement to sell 3,249,998 shares of such investment (representing 40.51% shareholding of such company), with the first phase the sale of 1,604,444 shares at a price of Baht 71.49 per share, or for a total of Baht 115 million, settled on 15 August 2017. The objective of this is to use the funds raised as working capital. For the rest of the shares, the Company has a right to sell such shares at an agreed term and price as set out in the agreement, with transfer and settlement completed within 1 year from 15 August 2017, unless otherwise agreed by both parties.

The Company recognised estimated loss that may arise from the sale of this investment of Baht 93 million as loss on impairment of investment in the separate financial statements, and the amount of Baht 0.6 million in the consolidated financial statements for the second quarter of the current year. The impairment of investment has been reversed and then the amount of Baht 46 million was recognised as loss on sale of investment in a joint venture in the third quarter financial statements.

In summary, The Company recognised loss on sale of the investment amounting to Baht 46 million and loss on impairment of the remaining investment amounting to Baht 47 million in the separate financial statements for the year ended 31 December 2017.

11.2 Share of gain (loss) and dividend income from an associate and a joint venture

(Unit: Thousand Baht)

Company's name	Consolidated financial statements				Separate financial statements	
	Share of gain (loss) from investments in an associate and a joint venture for the years ended 31 December		Shares of other comprehensive income from investments in an associate and a joint venture for the years ended 31 December		Dividend received during the years ended 31 December	
	2017	2016	2017	2016	2017	2016
Associate						
SBI Royal Securities Plc.	11,568	11,951	(6,267)	(13)	-	-
Joint venture						
SBI Thai Online Securities Co., Ltd.	(33,822)	(46,387)	468	-	-	-
Total	(22,254)	(34,436)	(5,799)	(13)	-	-

During the years ended 31 December 2017 and 2016, the Company recognised shares of loss from the associate and the joint venture under equity method based on financial information, as prepared by the associate's and the joint venture entity's management. However, the Company obtained the 2016 financial statements of the associate and the joint venture entity, which were audited by associate's and the joint venture auditors, and showed the amounts that are not significantly different from the financial information prepared by the associate's and the joint venture entity's management used in recognition of share of comprehensive income in that year.

11.3 Summarised financial information about material associate and a joint venture

Summarised information from statements of financial position

(Unit: Million Baht)

	Associate		Joint venture	
			SBI Thai Online Securities	
	SBI Royal Securities Plc.		Co., Ltd.	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Cash and cash equivalents	403	380	248	132
Other current assets	24	26	460	324
Non-current assets	34	38	283	368
Current liabilities	(16)	(17)	(454)	(272)
Net assets	445	427	537	552
Shareholding percentage	20.01%	20.01%	20.51%	45.00%
The Company's equity interest in the investments net assets	89	85	110	248
Goodwill	25	25	-	-
Total investment values	114	110	110	248
Carrying values of investments in an associate and a joint venture (under equity method)	115	111	110	248

Summarised information from statements of comprehensive income

(Unit: Million Baht)

	Associate		Joint venture	
			SBI Thai Online Securities	
	SBI Royal Securities Plc.		Co., Ltd.	
	For the years ended 31 December			
	2017	2016	2017	2016
Revenues	78	81	81	52
Profit (loss) for the year	58	60	(94)	(102)
Other comprehensive income				
for the year	-	-	1	-
Total comprehensive income				
for the year	58	60	(93)	(102)

12. Equipment

(Unit: Baht)

	Consolidated and separate financial statements				
	Office equipment	Furniture and fixtures	Vehicles	Equipment under installation	Total
Cost					
1 January 2016	238,043,654	199,485,040	14,580,804	938,300	453,047,798
Additions	4,953,471	3,142,507	-	4,881,173	12,977,151
Disposals/write-off	(1,836,361)	(18,271,050)	-	-	(20,107,411)
Transfers in (out)	2,483,621	2,056,821	-	(4,540,442)	-
31 December 2016	243,644,385	186,413,318	14,580,804	1,279,031	445,917,538
Additions	46,787,984	2,200,892	-	10,946,213	59,935,089
Disposals/write-off	(3,323,865)	(3,037,695)	(2,151,000)	(154,080)	(8,666,640)
Transfers in (out)	8,956,800	2,352,697	-	(11,309,497)	-
31 December 2017	296,065,304	187,929,212	12,429,804	761,667	497,185,987
Accumulated depreciation					
1 January 2016	203,602,012	169,384,628	8,595,863	-	381,582,503
Depreciation for the year	18,197,685	14,969,654	1,749,000	-	34,916,339
Accumulated depreciation on disposals/write-off	(589,941)	(15,477,039)	-	-	(16,066,980)
31 December 2016	221,209,756	168,877,243	10,344,863	-	400,431,862
Depreciation for the year	23,125,862	8,474,770	1,749,000	-	33,349,632
Accumulated depreciation on disposals/write-off	(3,185,241)	(2,996,994)	(2,150,998)	-	(8,333,233)
Transfers in (out)	23,999	(23,999)	-	-	-
31 December 2017	241,174,376	174,331,020	9,942,865	-	425,448,261
Net book value					
31 December 2016	22,434,629	17,536,075	4,235,941	1,279,031	45,485,676
31 December 2017	54,890,928	13,598,192	2,486,939	761,667	71,737,726
Depreciation for the years					
31 December 2016					34,916,339
31 December 2017					33,349,632

As at 31 December 2017 and 2016, certain equipment items have been fully depreciated but are still in use. The original costs, before deducting accumulated depreciation and allowance for impairment loss, of these assets amounted to approximately Baht 350 million and Baht 328 million, respectively.

As at 31 December 2017 and 2016, vehicles of the Company having net book value of Baht 4 million and Baht 4 million, respectively, were under finance lease agreements.

13. Intangible assets

(Unit: Baht)

Consolidated and separate financial statements						
	Future exchange membership fee	Retail brokerage business acquisition cost	Computer software	Right to use system	Computer software under development	Total
Cost						
1 January 2016	5,000,000	6,384,000	119,657,163	-	8,315,980	139,357,143
Additions	-	-	3,458,872	-	3,892,597	7,351,469
Write-off	-	-	(22,313)	-	-	(22,313)
Transfers in (out)	-	-	3,559,371	-	(3,559,371)	-
31 December 2016	5,000,000	6,384,000	126,653,093	-	8,649,206	146,686,299
Additions	-	-	181,824,337	7,331,640	47,548,875	236,704,852
Write-off	-	-	(10,678,727)	-	(3,634,141)	(14,312,868)
Transfer in (out)	-	-	44,477,459	-	(44,477,459)	-
31 December 2017	5,000,000	6,384,000	342,276,162	7,331,640	8,086,481	369,078,283
Accumulated amortisation						
1 January 2016	3,913,752	6,384,000	90,560,786	-	-	100,858,538
Amortisation for the year	499,726	-	10,533,526	-	-	11,033,252
Write-off	-	-	(22,312)	-	-	(22,312)
31 December 2016	4,413,478	6,384,000	101,072,000	-	-	111,869,478
Amortisation for the year	499,726	-	11,400,484	220,954	-	12,121,164
Write-off	-	-	(7,992,282)	-	-	(7,992,282)
Transfer in (out)	-	-	-	-	-	-
31 December 2017	4,913,204	6,384,000	104,480,202	220,954	-	115,998,360
Net book value						
31 December 2016	586,522	-	25,581,093	-	8,649,206	34,816,821
31 December 2017	86,796	-	237,795,960	7,110,686	8,086,481	253,079,923
Amortisation for the years ended						
31 December 2016						11,033,252
31 December 2017						12,121,164

As at 31 December 2017 and 2016, certain computer software items have been fully amortised but are still in use. The original costs, before deducting accumulated amortisation, of these assets amounted to Baht 77 million and Baht 82 million, respectively.

14. Deferred tax assets and income tax

14.1 Deferred tax assets

Deferred tax assets consisted of tax effects on the following temporary differences:

(Unit: Baht)

Consolidated financial statements				
			Changes in deferred income tax reported in the statements of comprehensive income	
	31 December	31 December	For the years ended 31 December	
	2017	2016	2017	2016
Deferred tax assets arose from:				
Allowance for impairment loss on general investments	3,590,493	3,422,075	168,418	-
Share of profit from investments in an associate	9,023,337	(1,223,988)	10,247,325	(2,386,841)
Provision for employee benefits	11,939,051	10,586,519	1,352,532	1,421,508
Unrealised (gain) loss on revaluation of investments and derivatives	(5,325,854)	(1,072,939)	(4,252,915)	(177,978)
Others	4,475,282	4,405,914	69,368	581,932
Deferred tax assets	23,702,309	16,117,581	7,584,728	(561,379)
Recognised as income tax revenue (expenses):				
- Recognised in profit or loss			5,607,424	(564,647)
- Recognised in other comprehensive income			1,977,304	3,268
Total			7,584,728	(561,379)

(Unit: Baht)

Separate financial statements				
			Changes in deferred income tax reported in the statements of comprehensive income	
	31 December	31 December	For the years ended 31 December	
	2017	2016	2017	2016
Deferred tax assets arose from:				
Allowance for impairment loss on investments	12,973,442	3,422,075	9,551,367	-
Provision for employee benefits	11,475,171	10,344,011	1,131,160	1,344,278
Unrealised (gain) loss on revaluation of investments and derivatives	(5,325,854)	(1,072,939)	(4,252,915)	(177,978)
Others	4,475,282	4,405,914	69,368	581,932
Deferred tax assets	23,598,041	17,099,061	6,498,980	1,748,232
Recognised as income tax revenue (expenses):				
- Recognised in profit or loss			6,095,670	1,748,232
- Recognised in other comprehensive income			403,310	-
Total			6,498,980	1,748,232

14.2 Income tax

Income tax for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge	(36,617,248)	(75,757,571)	(34,170,003)	(75,229,928)
Deferred tax:				
Relating to origination and reversal of temporary differences	5,607,424	(564,647)	6,095,670	1,748,232
Income tax expense reported in the statement of comprehensive income	(31,009,824)	(76,322,218)	(28,074,333)	(73,481,696)

Reconciliations between income tax and the product of accounting profits for the years ended 31 December 2017 and 2016 and the applicable tax rate are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2017	2016	2017	2016
Accounting profit before tax	208,264,934	307,665,529	117,022,800	340,984,923
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	(41,652,987)	(61,533,106)	(23,404,560)	(68,196,985)
Effects of:				
Revenue or expenses that are not taxable or not deductible in determining taxable profits	(4,679,624)	(6,193,675)	(4,669,773)	(5,966,655)
Shares of losses on investments in a joint venture entity	15,322,787	(9,277,381)	-	-
Others	-	681,944	-	681,944
Income tax expenses reported in the statement of comprehensive income	(31,009,824)	(76,322,218)	(28,074,333)	(73,481,696)

15. Other assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Interest receivables	10,540,024	14,402,290	10,540,024	14,402,290
Prepaid expenses	33,793,307	22,427,933	33,532,830	22,175,046
Deposits	21,567,676	19,578,671	21,567,676	19,578,671
Contribution to the compensation fund for clearing and securities delivery system	75,955,970	68,749,342	75,955,970	68,749,342
Asset for protecting the clearing system	5,000,000	5,000,000	5,000,000	5,000,000
Fee receivables	31,280,815	2,663,857	31,280,815	2,663,587
Advances paid	3,315,493	3,717,738	3,315,493	3,717,738
Dividend receivables	1,128,321	-	1,128,321	-
Other receivable - related party	-	-	4,271,993	4,268,455
Others	8,799,258	7,027,702	7,943,950	4,932,348
Total	191,380,864	143,567,533	194,537,072	145,487,477
Less: Allowance for doubtful accounts/ allowance for impairment	(2,856,353)	(2,856,353)	(2,856,353)	(2,856,353)
Other assets	188,524,511	140,711,180	191,680,719	142,631,124

16. Borrowings from financial institutions

(Unit: Baht)

	Consolidated and separate financial statements			
	31 December 2017			
	Interest rate	Remaining period to maturity		
	per annum			
	(percent)	At call	Within 1 year	Total
Financial institutions				
Promissory notes	1.95 - 2.20	200,000,000	-	200,000,000
Total		200,000,000	-	200,000,000

17. Payables to Clearing House and broker - dealers

(Unit: Baht)

	Consolidated and separate financial statements	
	31 December 2017	31 December 2016
Payables to Clearing House	908,640,841	1,469,766,696
Payables to overseas securities companies	1,089,142	7,128,309
Payables to Clearing House and broker - dealers	909,729,983	1,476,895,005

18. Securities and derivatives business payables

(Unit: Baht)

	Consolidated and separate financial statements	
	31 December 2017	31 December 2016
<u>Securities business payables</u>		
Cash accounts payable	1,551,718,050	2,079,881,925
Collateral payables	9,557,050	15,624,093
Securities borrowing and lending payables	9,586,850	16,182,700
Securities business payable	1,570,861,950	2,111,688,718
<u>Derivatives business payables</u>		
Derivatives business payables	2,834,240	2,403,119
Securities and derivatives business payables	1,573,696,190	2,114,091,837

19. Debt issued

(Unit: Baht)

Consolidated and separate financial statements					
31 December 2017					
	Interest rate/discount	Remaining period to maturity			Total
		Less than 1 year	1 - 5 years	More than 5 years	
	(percent)				
Debt issued					
Bills of exchange					
(Zero - coupon note with Baht 160 million face value)	1.80 - 2.20	158,856,887	-	-	158,856,887
Total		158,856,887	-	-	158,856,887

20. Provision for employee benefits

Provision for employee benefits under a defined benefit plan are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2017	2016	2017	2016
Defined benefit obligation at the beginning of the year	54,376,477	47,268,934	51,720,055	44,998,665
Current service cost	6,250,360	5,881,790	5,856,649	5,563,744
Interest cost	1,419,827	1,225,753	1,327,997	1,157,646
Actuarial (gain) loss arising from:				
Demographic assumption changes	2,637,866	-	2,016,552	-
Financial assumption changes	-	-	-	-
Experience adjustments	-	-	-	-
Employee benefits paid during the year	(3,545,400)	-	(3,545,400)	-
Defined benefit obligation at the end of the year	61,139,130	54,376,477	57,375,853	51,720,055

Long-term employee benefits expenses included in the profit or loss were as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017	2016	2017	2016
Current service cost	6,250,360	5,881,790	5,856,649	5,563,744
Interest cost	1,419,827	1,225,753	1,327,997	1,157,646
Total long-term employee benefit expenses	7,670,187	7,107,543	7,184,646	6,721,390

As at 31 December 2017 and 2016, the Company and its subsidiary expect to pay Baht 13 million and Baht 5 million, on long-term employee benefits over the next 1 year (the Company only: Baht 13 million and Baht 5 million, respectively).

As at 31 December 2017 and 2016, the Company's and its subsidiary's weighted average durations of the long-term employee benefit payments are 10 years and 10 years, respectively (the Company only: 10 years and 10 years, respectively).

Principal actuarial assumptions used in determining provision for employee benefits were as follows:

	(Unit: % per annum)	
	Consolidated and separate	
	financial statements	
	31 December 2017	31 December 2016
Discount rate	2.9	3.0
Future salary incremental rate	1.2 - 6.0	2.2 - 7.0
Employee turnover rate	0.0 - 33.0	0.0 - 33.0

The impacts of changes in significant assumptions that affect the present value of the defined benefit obligation (provisions for employee benefits) as at 31 December 2017 and 2016 are summarised below:

	Consolidated financial statement			
	31 December 2017			
	Provision for employee benefits were		Provision for employee benefits were	
	increased		increased	
	Increase in assumption	(decreased) by	Decrease in assumption	(decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.2)	1.0	3.6
Future salary incremental rate	1.0	4.1	1.0	(3.7)
Employee turnover rate	20.0	(5.9)	20.0	7.4

	Consolidated financial statement			
	31 December 2016			
	Provision for employee benefits were		Provision for employee benefits were	
	increased		increased	
	Increase in assumption	(decreased) by	Decrease in assumption	(decreased) by
	(% per annum)	(Million Baht)	(% per annum)	(Million Baht)
Discount rate	1.0	(3.0)	1.0	3.4
Future salary incremental rate	1.0	4.4	1.0	(3.9)
Employee turnover rate	20.0	(6.7)	20.0	8.6

Separate financial statement				
31 December 2017				
	Increase in	Provision for	Decrease in	Provision for
	assumption	employee	assumption	employee
		benefits were		benefits were
		increased		increased
	(% per annum)	(decreased) by	(% per annum)	(decreased) by
		(Million Baht)		(Million Baht)
Discount rate	1.0	(2.8)	1.0	3.2
Future salary increase rate	1.0	3.7	1.0	(3.3)
Employee turnover rate	20.0	(5.3)	20.0	6.6

Separate financial statement				
31 December 2016				
	Increase in	Provision for	Decrease in	Provision for
	assumption	employee	assumption	employee
		benefits were		benefits were
		increased		increased
	(% per annum)	(decreased) by	(% per annum)	(decreased) by
		(Million Baht)		(Million Baht)
Discount rate	1.0	(2.8)	1.0	3.1
Future salary increase rate	1.0	4.0	1.0	(3.7)
Employee turnover rate	20.0	(6.2)	20.0	7.9

21. Other payables

(Unit: Baht)

Consolidated and separate financial statements		
	31 December 2017	31 December 2016
Other payable - CIMB Thai Bank Plc.	1,353,551	1,353,551
Other payable - related party	85,612	281,693
Total other payables	1,439,163	1,635,244

Other payable - CIMB Thai Bank Plc. is payable as a result of cash received from debtors under Loan Management Agency Agreement on behalf of the bank.

22. Other liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Accrued expenses	321,406,611	278,601,970	321,117,033	278,349,667
Withholding tax payable	8,164,884	11,127,659	7,687,205	10,687,233
Value added tax payable	6,170,269	7,066,777	6,144,272	6,816,673
Liabilities under finance lease agreements	649,548	1,711,971	649,548	1,711,971
Employee retention payables	3,112,366	3,412,366	3,112,366	3,412,366
Others	14,344,956	11,896,703	14,344,956	11,896,703
Total other liabilities	353,848,634	313,817,446	353,055,380	312,874,613

22.1 Liabilities under finance lease agreements

(Unit: Baht)

	Consolidated and separate financial statements	
	31 December 2017	31 December 2016
Liabilities under finance lease agreements	669,865	1,818,205
Less: Deferred interest expenses	(20,317)	(106,234)
Liabilities under finance lease agreements - net	649,548	1,711,971
Less: Current portion	(649,548)	(1,062,423)
Liabilities under finance lease agreements - net of current portion	-	649,548

The Company has entered into the finance lease agreements for lease of vehicles for use in its operation, whereby it is committed to pay fee on a monthly basis. The terms of the agreements are 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Baht)

	Consolidated and separate financial statements		
	31 December 2017		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments under the finance lease agreements	669,865	-	669,865
Less: Deferred interest expenses	(20,317)	-	(20,317)
Present value of future minimum lease payments under the finance lease agreements	649,548	-	649,548

(Unit: Baht)

	Consolidated and separate financial statements		
	31 December 2016		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments under the finance lease agreements	1,148,340	669,865	1,818,205
Less: Deferred interest expenses	(85,917)	(20,317)	(106,234)
Present value of future minimum lease payments under the finance lease agreements	1,062,423	649,548	1,711,971

23. Statutory reserve

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

24. Brokerage fees income

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2017	2016
Brokerage fee from securities business	1,093,713,179	1,355,023,055
Brokerage fee from derivatives business	73,606,122	81,000,051
Other brokerage fee	1,760,000	-
Total	1,169,079,301	1,436,023,106

25. Fees and service income

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2017	2016
Underwriting fee	72,672,902	80,395,767
Financial advisory fee	20,140,000	9,259,000
Borrowing and lending fee	893,572	2,629,696
Research fee	45,700,000	28,000,000
Selling agent fee	8,298,180	7,379,511
Others	868,857	621,894
Total	148,573,511	128,285,868

26. Gain and return on financial instruments

(Unit: Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2017	2016
Gain on investments	95,796,033	131,050,856
Gain on derivatives	97,410,351	42,200,345
Interest and dividend income	57,626,636	55,598,210
Total	250,833,020	228,849,411

27. Provident fund

The Company, its subsidiary and their employees have jointly established provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and employees of each company contributed to the funds monthly at the rates of 5% to 10% of basic salary. The funds, which are managed by two asset management companies, will be paid to employees upon termination in accordance with the fund rules. The contributions for the years ended 31 December 2017 and 2016 were recognised as expenses as follow:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2017	2016	2017	2016
Contributions to provident funds	27,078,665	26,078,778	24,447,749	23,431,362

28. Earnings per share

Basic earnings per share for the year was calculated by dividing profit (excluding other comprehensive income) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

29. Dividends

Dividends	Approved by	Total dividends paid (Million Baht)	Dividend per share (Baht)
Dividend for 2015	Annual General Meeting of the shareholders on 25 April 2016	76	0.13
Dividend for 2016	Annual General Meeting of the shareholders on 25 April 2017	76	0.13

30. Related party transactions

30.1 The relationships

Name	Relationship
FSS International Investment Advisory Securities Company Limited	Subsidiary
SBI Royal Securities Plc.	Associate
SBI Thai Online Securities Company Limited	Joint venture
Industrial and Commercial Bank of China (Thai) Public Company Limited	Major shareholder of the Company
Finansa Public Company Limited	Major shareholder of the Company
Finansa Securities Company Limited	Having common director and being the major shareholder's subsidiary
True Vision Group Public Company Limited	Having common director

30.2 Significant transactions during the year

During the year, the Company and its subsidiary had significant business transactions with related parties, which have been concluded on commercial terms and base agreed upon in the ordinary course of businesses between the Company, the subsidiary and those parties. Below is a summary of those transactions.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	For the years ended		For the years ended		
	31 December		31 December		Transfer Pricing Policy
	2017	2016	2017	2016	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Other income	-	-	3,600	3,600	Contract value
Other expenses	-	-	48,000	45,600	Contract value
<u>Transactions with related parties</u>					
Joint venture					
Right to use system	7,332	-	7,332	-	Contract value
Directors and executive employees					
Brokerage fees income	154	632	154	632	Similar rates charged to general customers
Major shareholders					
Brokerage fees income	399	117	399	117	Similar rates charged to general customers
Interest income	13,359	6,773	13,359	6,773	Similar rates charged to general customers
Other income	-	105	-	105	Contract value
Other expenses	-	400	-	400	Contract value/ As mutually agreed
Related companies and person					
Other income	8,202	10,820	8,202	10,820	Contract value
Rental and service expenses	731	5,333	731	5,333	As mutually agreed

30.3 Outstanding balances

The balances of accounts as at 31 December 2017 and 2016 between the Company, its subsidiary and their related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Cash collateral for derivatives trading				
Industrial and Commercial Bank of China (Thai) Public Company Limited	612	607	612	607
Investment in deposits at financial institution for the Company's accounts				
Industrial and Commercial Bank of China (Thai) Public Company Limited	1,920	1,630	1,920	1,630
Investment in deposits at financial institution held for customers' and employees' accounts				
Industrial and Commercial Bank of China (Thai) Public Company Limited	970,000	870,000	970,000	870,000
Loans to employees				
Executive employees	103	506	103	506
Other receivables				
FSS International Investment Advisory Securities Company Limited	-	-	4,272	4,268
Accrued interest receivables				
Industrial and Commercial Bank of China (Thai) Public Company Limited	2,601	4,436	2,601	4,436
Accrued expenses				
Directors and executive employees	404	171	404	171
Unearned revenue				
Finansa Securities Company Limited	50	-	50	-
Debt issued				
Directors and executive employees	20,000	-	20,000	-

30.4 Movements of inter-company borrowings

During the years ended 31 December 2017 and 2016, movements of borrowings to related parties were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2017	Increase	Decrease	31 December 2017
Loans to employees				
Executive employees	506	-	403	103
Debt issued				
Directors and executive employees	-	20,000	-	20,000

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Balance as at	During the year		Balance as at
	1 January 2016	Increase	Decrease	31 December 2016
Loans to employees				
Executive employees	108	800	402	506

30.5 Directors and key management's remunerations

For the years ended 31 December 2017 and 2016, the Company and its subsidiary had employee benefit expenses incurred for their directors and key management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2017	2016	2017	2016
Short-term employee benefits	163	174	154	165
Post-employment benefits	11	9	10	8
Total	174	183	164	173

31. Commitments and contingent liabilities

31.1 Operating lease and service agreements commitments

The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space, vehicles and equipment which the terms of the agreements are generally 1 – 5 years, and various service agreements which the terms of the agreements are generally 1 – 3 years.

As at 31 December 2017 and 2016, future minimum lease and service payments required under these agreements of the Company and its subsidiary were as follows:

(Unit: Million Baht)

Payable within	Consolidated financial statements	
	31 December 2017	31 December 2016
1 year	88	63
1 to 5 years	94	47

(Unit: Million Baht)

Payable within	Separate financial statements	
	31 December 2017	31 December 2016
1 year	87	63
1 to 5 years	94	47

31.2 Contingent liabilities from litigation cases

On 5 August 2013, the Company signed a Share Purchase and Sale Agreement to sell the ordinary shares of Apple Wealth Securities Public Company Limited which is the former subsidiary. Under the above Share Purchase and Sale Agreement, the Company agreed to provide a guarantee to the buyer for the losses on outstanding litigation cases. The Company is still liable for losses that may arise from litigation cases brought against that company as follows:

(a) Litigation with a former executive of Apple Wealth Securities Public Company Limited

On 5 October 2012 the former executive of Apple Wealth Securities Public Company Limited also sued Apple Wealth Securities Public Company Limited and Industrial and Commercial Bank of China (Thai) Public Company Limited in a labour case, seeking damages of approximately Baht 52 million for unfair dismissal. Subsequently, on 18 February 2013, the Central Labor Court dismissed the case. Although the former executive of Apple Wealth Securities Public Company Limited exercised the right of appeal, the Central Labor Court did not accept the petition to appeal. Subsequently, on 10 April 2013, the former executive lodged an appeal of the decision not to accept the petition to appeal with the Central Labour Court. The Central Labour Court ordered to submit the case to the Supreme Court. On 15 August 2016, the Supreme Court dismissed the plea, resulting in the case is being summarize and concluded that the Company has no loss from this case.

(b) Litigation with a customer of Apple Wealth Securities Public Company Limited

In February 2010, Apple Wealth Securities Public Company Limited was sued by a customer, claiming compensation of approximately Baht 1.2 million for breach of an agreement. On 30 May 2012, the Court of First Instance ruled that Apple Wealth Securities Public Company Limited had not committed a breach of agreement, but as employer was jointly liable in the amount of Baht 0.2 million, plus interest at 7.5 percent per annum counting from 19 February 2009. Subsequently, on 15 August 2012 Apple Wealth Securities Public Company Limited submitted an appeal against the Court of First Instance's judgement and on 24 January 2014, the Appeal Court upheld the decision of the Court of First Instance. On 26 July 2017, the Supreme Court did not approve the plaintiff to submit an appeal to the Supreme Court, so the case was final.

The Company no longer has any potential liabilities with respect to litigation involving Apple Wealth Securities Public Company Limited because all cases have been finalised. Hence, as of 31 December 2017, the Company recorded no provision for these cases.

32. Segment information

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

For management purposes, the Company and its subsidiary are summarized into business units based on their products and services and have 3 reportable segments as follows:

- Securities and derivatives brokerage segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Proprietary trading segment, which provide service according to investment.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The following table presents information by operating segment for the years ended 31 December 2017 and 2016:

(Unit: Million Baht)

	For the years ended 31 December									
	Securities and derivatives brokerage segment		Investment banking segment		Proprietary trading segment		Elimination of inter-segment transactions		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external	1,447	1,628	93	86	90	104	(48)	(46)	1,582	1,772
Profit (loss) from operating by segment	353	451	78	50	23	17	(48)	(46)	406	472
Unallocated income and expenses:										
Interest and dividend income										50
Other income									48	
Operating expenses									(271)	(247)
Income tax expenses									(31)	(77)
Profits for the year attributable to the Company									177	231

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

(Unit: Million Baht)

	Securities and derivatives brokerages segment	Investment banking segment	Proprietary trading segment	Total segments	Unallocated assets	Total
Segment assets						
31 December 2017	4,130	-	-	4,130	1,823	5,953
31 December 2016	4,496	-	1	4,497	2,044	6,541

Geographic information

The Company and its subsidiary are operated in only Thailand and as a result all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical segment.

Major customers

During the years ended 31 December 2017 and 2016, the Company and its subsidiary do not have revenue generated from any customer more than 10 percent of the consolidated revenues.

33. Financial instruments

33.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, receivables from and payables to Clearing House and broker - dealers, securities and derivatives business receivables and payables, derivatives assets and liabilities, investment, loans to employees, borrowings from financial institutions, debt issued and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to receivables from Clearing House and broker - dealers, securities and derivatives business receivables, investment in deposits at financial institutions, investments in debt securities and so on. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and depositing and investing with creditable financial institutions and therefore do not expect to incur material financial loss. In addition, the Company does not have high concentration of credit risk since it has a large customer base.

Interest rate risk

The Company's and its subsidiary's exposure to interest rate risk relates primarily to their cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivative business receivables, payables to Clearing House and broker - dealers, securities and derivative business payables, investments, loans to employees, borrowings from financial institutions, derivatives assets and liabilities and debt issued. However, since most of the Company and its subsidiary's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2017 and 2016 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statement										
31 December 2017										
Outstanding balances of financial instruments										
	Floating interest rate	Fixed interest rate			Non-performing receivables		Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual							Floating	Fixed
		At call	Less than 1 year	1 – 5 years						
Financial assets										
Cash and cash equivalents	61	-	-	-	-	80	141	0.13 - 1.29	-	
Receivables from Clearing House and broker - dealers	-	-	-	-	-	150	150	-	-	
Securities and derivatives business receivables	1,266	10	-	-	-	2,649	3,925	5.75	5.25	
Derivatives assets	-	-	-	-	-	1	1	-	-	
Investments	-	-	-	-	-	974	974	-	-	
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.50	-	
Financial liabilities										
Borrowings from financial institutions	-	200	-	-	-	-	200	-	1.95 - 2.20	
Payables to Clearing House and broker - dealers	-	-	-	-	-	910	910	-	-	
Securities and derivatives business payables	-	10	-	-	-	1,564	1,574	0.80	3.00	
Derivatives liabilities	-	-	-	-	-	89	89	-	-	
Debt issued	-	-	159	-	-	-	159	-	1.80 - 2.20	

(Unit: Million Baht)

Consolidated financial statement									
31 December 2016									
Outstanding balances of financial instruments									
	Floating interest rate	Fixed interest rate			Non-performing receivables	Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual						Floating	Fixed
		At call	Less than 1 year	1 – 5 years					
Financial assets									
Cash and cash equivalents	510	-	-	-	-	196	706	0.13 - 1.29	-
Receivables from Clearing									
House and broker - dealers	-	-	-	-	-	263	263	-	-
Securities and derivatives									
business receivables	1,343	16	-	-	-	3,094	4,453	6.00	5.25
Derivatives assets	-	-	-	-	-	2	2	-	-
Investments	-	-	-	-	-	519	519	-	-
Loans to employees	2	-	-	-	-	-	2	3.40 - 3.50	-
Financial liabilities									
Payables to Clearing House and									
broker - dealers	-	-	-	-	-	1,477	1,477	-	-
Securities and derivatives									
business payables	-	16	-	-	-	2,098	2,114	0.80	3.25
Derivatives liabilities	-	-	-	-	-	36	36	-	-

(Unit: Million Baht)

(Unit: Million Baht)

Separate financial statement									
31 December 2017									
Outstanding balances of financial instruments									
	Floating interest rate	Fixed interest rate			Non-performing receivables	Non-interest bearing	Total	Interest rate (% p.a.)	
		Remaining period to the contractual						Floating	Fixed
		At call	Less than 1 year	1 – 5 years					
Financial assets									
Cash and cash equivalents	61	-	-	-	-	53	114	0.13 - 1.29	-
Receivables from Clearing									
House and broker - dealers	-	-	-	-	-	150	150	-	-
Securities and derivatives									
business receivables	1,266	10	-	-	-	2,649	3,925	5.75	5.25
Derivatives assets	-	-	-	-	-	1	1	-	-
Investments	-	-	-	-	-	974	974	-	-
Loans to employees	1	-	-	-	-	-	1	3.40 - 3.50	-
Financial liabilities									
Borrowings from financial									
institutions	-	200	-	-	-	-	200	-	1.95 - 2.20
Payables to Clearing House and									
broker - dealers	-	-	-	-	-	910	910	-	-
Securities and derivatives									
business payables	-	10	-	-	-	1,564	1,574	0.80	3.00
Derivatives liabilities	-	-	-	-	-	89	89	-	-
Debt issued	-	-	159	-	-	-	159	-	1.80 - 2.20

Separate financial statement									
31 December 2016									
Outstanding balances of financial instruments									
Fixed interest rate									
Remaining period to the contractual									
Interest rate (% p.a.)									
Floating									
Non-									
performing Non-interest									
bearing									
Total									
Floating									
Fixed									
Financial assets									
Cash and cash equivalents	510	-	-	-	-	181	691	0.13 - 1.29	-
Receivables from Clearing									
House and broker - dealers	-	-	-	-	-	263	263	-	-
Securities and derivatives									
business receivables	1,343	16	-	-	-	3,094	4,453	6.00	5.25
Derivatives assets	-	-	-	-	-	2	2	-	-
Investments	-	-	-	-	-	519	519	-	-
Loans to employees	2	-	-	-	-	-	2	3.40 - 3.50	-
Financial liabilities									
Payables to Clearing House and									
broker - dealers	-	-	-	-	-	1,477	1,477	-	-
Securities and derivatives									
business payables	-	16	-	-	-	2,098	2,114	0.80	3.25
Derivatives liabilities	-	-	-	-	-	36	36	-	-

Liquidity risk

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

The Company and its subsidiary manage liquidity risk through monitoring and planning of their cash flows, including the arrangement of credit facilities with financial institutions, in order to ensure that they will have sufficient funds for their operations.

As at 31 December 2017 and 2016, remaining periods to maturity of financial instruments, counted from the reporting period-end dates, are as follows:

(Unit: Million Baht)

Consolidated financial statement						
31 December 2017						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
Financial assets						
Cash and cash equivalents	141	-	-	-	-	141
Receivables from Clearing House and broker – dealers	-	150	-	-	-	150
Securities and derivatives business receivables	10	2,642	-	1,273	-	3,925
Derivatives assets	-	1	-	-	-	1
Investments	-	-	-	974	-	974
Loans to employees	1	-	-	-	-	1
Financial liabilities						
Borrowings from financial institutions	200	-	-	-	-	200
Payables to Clearing House and broker – dealers	-	910	-	-	-	910
Securities and derivatives business payables	10	1,564	-	-	-	1,574
Derivatives liabilities	-	89	-	-	-	89
Debt issued	-	159	-	-	-	159

(Unit: Million Baht)

Consolidated financial statement						
31 December 2016						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
Financial assets						
Cash and cash equivalents	706	-	-	-	-	706
Receivables from Clearing House and broker - dealers	-	263	-	-	-	263
Securities and derivatives business receivables	16	3,086	-	1,351	-	4,453
Derivatives assets	-	2	-	-	-	2
Investments	-	-	-	519	-	519
Loans to employees	2	-	-	-	-	2
Financial liabilities						
Payables to Clearing House and broker - dealers	-	1,477	-	-	-	1,477
Securities and derivatives business payables	16	2,098	-	-	-	2,114
Derivatives liabilities	-	36	-	-	-	36

(Unit: Million Baht)

Separate financial statement						
31 December 2017						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
Financial assets						
Cash and cash equivalents	114	-	-	-	-	114
Receivables from Clearing House and broker - dealers	-	150	-	-	-	150
Securities and derivatives business receivables	10	2,642	-	1,273	-	3,925
Derivative assets	-	1	-	-	-	1
Investments	-	-	-	974	-	974
Loans to employees	1	-	-	-	-	1
Financial liabilities						
Borrowings from financial institutions	200	-	-	-	-	200
Payables to Clearing House and broker - dealers	-	910	-	-	-	910
Securities and derivatives business payables	10	1,563	-	-	-	1,573
Derivatives liabilities	-	89	-	-	-	89
Debt issued	-	159	-	-	-	159

(Unit: Million Baht)

Separate financial statement						
31 December 2016						
	At call	Within 1 year	1 - 5 years	No maturity	Non-performing receivables	Total
Financial assets						
Cash and cash equivalents	691	-	-	-	-	691
Receivables from Clearing House and broker - dealers	-	263	-	-	-	263
Securities and derivatives business receivables	16	3,086	-	1,351	-	4,453
Derivatives assets	-	2	-	-	-	2
Investments	-	-	-	519	-	519
Loans to employees	-	2	-	-	-	2
Financial liabilities						
Payables to Clearing House and broker - dealers	-	1,477	-	-	-	1,477
Securities and derivatives business payables	16	2,098	-	-	-	2,114
Derivatives liabilities	-	36	-	-	-	36

Foreign exchange risk

The Company's exposure to foreign currency risk arises mainly from brokerage service for securities listed in stock exchange in overseas and revenue and expense transactions that are denominated in foreign currencies.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2017 and 2016 are summarised below:

Foreign currency	(Unit: Million unit)					
	Financial assets		Financial liabilities		Average exchange rates	
	31 December	31 December	31 December	31 December	31 December	31 December
	2017	2016	2017	2016	2017	2016
					(Baht per 1 foreign currency unit)	
Vietnamese dong	55,692	61,489	54,254	58,325	0.0014	0.0016
Hong Kong dollar	2.6	0.9	2.6	0.8	4.1803	4.6637
United States dollar	0.9	4.0	0.8	0.7	32.6809	36.0025
Laos kip	326.9	225.1	326.9	208.1	0.0039	0.0044
Singapore dollar	0.1	0.1	0.1	0.1	24.4503	24.8010
Cambodian riel	228.7	285.4	220.4	437.7	0.0081	0.0089
Japanese yen	0.1	0.3	0.1	0.3	0.2898	0.3113

In addition to the above, as of 31 December 2017, the Company also has forward contract notional amount of USD 20 million with exchange rate at 32.56 - 32.78 Baht per USD which matured in January 2018 (31 December 2016: USD 36 million with exchange rate at 35.79 - 36.01 Baht per USD).

Market risk

The Company's exposure to market risk is the risk that volatility on the Stock Exchange of Thailand and The Thailand Futures Exchange will substantially reduce the value of its investments and collateral for securities and derivatives business receivables. However, the Company manages the market risk by analysing the market risk inherent in their various transactions, setting appropriate policies to manage such risk, and controlling risk to conform with policies.

34. Fair value of financial instruments

As of 31 December 2017 and 2016, the Company and its subsidiary had the financial assets and liabilities that were measured at fair value or their fair values are disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated and separate financial statements				
31 December 2017				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives assets				
Forward exchange contracts	-	1	-	1
Trading investments				
Equity securities	970	-	-	970
Investment units	-	151	-	151
Financial liabilities measured at fair value				
Derivatives liabilities				
Forward exchange contracts	-	1	-	1
Derivatives warrants	87	-	-	87

(Unit: Million Baht)				
Consolidated and separate financial statements				
31 December 2016				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives assets				
Forward exchange contracts	-	2	-	2
Trade securities				
Equity securities	366	-	-	366
Investment units	-	150	-	150
Financial liabilities measured at fair value				
Derivatives liabilities				
Forward exchange contracts	-	2	-	2
Derivatives warrants	34	-	-	34

(Unit: Million Baht)

Consolidated financial statement				
31 December 2017				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets for which fair values are disclosed				
Cash and cash equivalents	141	-	-	141
Receivable from Clearing House and broker - dealers	-	150	-	150
Securities and derivatives business receivables	-	3,925	-	3,925
General investments	-	-	2	2
Loans to employees	-	-	1	1
Financial liabilities for which fair values are disclosed				
Borrowings from financial institutions	-	200	-	200
Payable to Clearing House and broker - dealers	-	910	-	910
Securities and derivatives business payables	-	1,574	-	1,574
Debt issued	-	159	-	159
Liabilities under financial lease agreements ⁽¹⁾	-	1	-	1

(1) Included in "Other liabilities" in statements of financial position.

(Unit: Million Baht)

Consolidated financial statement				
31 December 2016				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets for which fair values are disclosed				
Cash and cash equivalents	705	-	-	705
Receivable from Clearing House and broker - dealers	-	263	-	263
Securities and derivatives business receivables	-	4,453	-	4,453
General investments	-	-	3	3
Loans to employees	-	-	2	2
Financial liabilities for which fair values are disclosed				
Payable to Clearing House and broker - dealers	-	1,477	-	1,477
Securities and derivatives business payables	-	2,114	-	2,114
Liabilities under financial lease agreements ⁽¹⁾	-	2	-	2

(1) Included in "Other liabilities" in statements of financial position.

(Unit: Million Baht)

Separate financial statement				
31 December 2017				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets for which fair values are disclosed				
Cash and cash equivalents	114	-	-	114
Receivable from Clearing House and broker - dealers	-	150	-	150
Securities and derivatives business receivables	-	3,925	-	3,925
General investments	-	-	2	2
Loans to employees	-	-	1	1
Financial liabilities for which fair values are disclosed				
Borrowings from financial institutions	-	200	-	200
Payable to Clearing House and broker - dealers	-	910	-	910
Securities and derivatives business payables	-	1,574	-	1,574
Debt issued	-	159	-	159
Liabilities under financial lease agreements ⁽¹⁾	-	1	-	1

(1) Included in "Other liabilities" in statements of financial position.

(Unit: Million Baht)

	Separate financial statement			
	31 December 2016			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets for which fair values are disclosed				
Cash and cash equivalents	691	-	-	691
Receivable from Clearing House and broker - dealers	-	263	-	263
Securities and derivatives business receivables	-	4,453	-	4,453
General investments	-	-	3	3
Loans to employees	-	-	2	2
Financial liabilities for which fair values are disclosed				
Payable to Clearing House and broker - dealers	-	1,477	-	1,477
Securities and derivatives business payables	-	2,114	-	2,114
Liabilities under financial lease agreements ⁽¹⁾	-	2	-	2

⁽¹⁾ Included in "Other liabilities" in statements of financial position.

The methods and assumptions used by the Company and its subsidiary in estimating the fair value of financial instruments are as follows:

- (a) Financial assets and liabilities, which have short-term maturity periods or bear interest at rates close to market interest rates, including cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, general investment, payables to Clearing Houses and broker - dealers, and securities and derivative business payables, their fair values approximate their carrying values in the statements of financial position.
- (b) The fair value of marketable equity securities is derived from market price. The fair value of non-marketable equity securities is determined using net asset value per share of the investee company, except investment units which are not listed on the Stock Exchange of Thailand, is determined using the net asset value per unit announced by fund managers.

- (c) The fair value of derivatives has been determined by using a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and forward exchange rates.
- (d) For loans to employees, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- (e) Liabilities under financial lease agreements carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

35. Capital management

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

36. Event after the reporting period

On 20 February 2018, a meeting of the Board of Directors of the Company has a resolution to propose the dividend payment from profit for 2017 at Baht 0.06 per share. This dividend will be proposed for consideration and approval in the Annual General Meeting of the Company's shareholder, which will be held on 24 April 2018.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2018.

The opinion of the Company and Audit Committee regarding the Related Party Transactions

Fee received

The Company provides brokerage service to the directors and shareholders of the Company in the normal basis and charges the minimum rate according to the SET, in which the Audit Committee has considered and determined the fairness and rationality of the transaction.

The satellite media service subscription

The Company subscribed to satellite media service provided by True Vision Group Company Limited for both within the office and customers who trade securities. The Company settles the payment on monthly basis at the same rate as True Vision Group Company Limited charges from other customers, in which the Audit Committee has considered and determined such transaction as reasonable and the price was fair.

Policy on Future Related Party Transactions

The Company has the policy to review Related Party Transactions taken into consideration the rationality and the benefits of the Company. The Future Related Party Transactions are classified into 2 categories, regular and frequent transactions and exceptional transactions, with the following approve processes;

1. Regular and frequent transactions

Certain transactions such as fees received are continuous transactions that will regularly occur in the future, the Company therefore has determined criteria and practice guideline for such transactions by specifying the condition for the process of each transaction to be in accordance with general trading terms, reasonably fair price, and verifiable. Such criteria and practice guideline will be proposed to the Audit Committee for consideration and approval, in which the Audit Committee is responsible for monitoring the compliance of the practice guideline and criteria, and providing the opinion for the rationality of transactions each quarter.

2. Exceptional transactions

The Company's management will schedule the Audit Committee to provide the opinion on the suitability of such transaction. If the Audit Committee does not have the expertise to consider such transaction, the Company will schedule individuals with special expertise such as auditors, property appraiser, or law firm, which are independent or having a conflict with the Company to provide opinion regarding such related party transaction. The opinion of Audit Committee or individual with special expertise will be considered in the decision making of the Board of Directors or shareholder, as the case may be, according to the related rules and regulations.

MANAGEMENT DISCUSSION & ANALYSIS

1. Business Overview and Significant Change in Global Market

At the end of 2017, SET index closed at 1,753.71 points, increased by 13.7 percent from the end of 2016 of 1,542.94 points. Securities value according to the total market price of SET and mai at the end of 2017 made a new high at Baht 17.9 trillion, increased by 15.6 percent. Although the rise of the index made a new high record, it was relatively small comparing to global stock market which yield a higher return of approximately 20 percent comparing to 2016 which increased by only 5.3 percent, the rise was also small comparing to other countries in the region in reference to MSCI EM index which increased by 33 percent, in which Hong Kong market yielded the highest return. The increase of SET index made the dividend yield decrease to 2.7 percent from the previous year of 3.04 percent, where mai index yield the dividend return in 2017 of 1.42 percent, increasing from 1.24 percent in the previous year.

The average daily securities trading value of SET and mai in 2017 was Baht 50.11 billion, decreased from Baht 52.53 billion or by 4.6 percent from 2016. The average trading value of foreign investors was 30.2 percent of daily trading value, increased from 25.6 percent in the year 2016. Nevertheless, foreign investors were net sellers of approximately Baht 26 billion comparing to net buyer in 2016 of approximately Baht 79 billion. While institutional investors were the major player with the net buyer of over Baht 100 billion in 2017. Individual investors accounted for the largest proportion of the trading value at 48 percent.

In 2017, there were 39 newly listed companies while 7 companies delisted from the SET, resulting in the total number of 688 listed companies comparing to 656 companies in the year 2016. The total capital fund raised in SET and mai was Baht 106 billion, increased by 101.36 percent from 2016 consisting of 21 companies in SET with the total value of Baht 83.7 billion, 13 companies in mai with the total value Baht 8.7 billion, and the rest raised the funds through the Infrastructure Fund and the Property Fund.

Thailand Futures Exchange market had average daily trading volume of 324,217 contracts, increased by 13.7 percent from 2016.

The stock index moved in a narrow range throughout the year until the 4th quarter when Thai political situation became more explicit due to economic stimulus measures in the government sector and the setting of the election date in the upcoming year, which boosted up the investment in the stock market. While Thailand's economy went well as tourism and export sectors grew beyond expectations and various infrastructures continued to develop. In a meanwhile, the direction of the world economy is growing as well.

2. Results of Operations

Revenue

In 2017, the Company's total revenue comprising of securities brokerage commissions, fees and services, gain from capital investment, derivative warrants, share of losses from investments in an associate and jointly-controlled entity under equity method, interest and dividend, interest from margin loans and others. The major source of income was securities brokerage commissions accounted for 70.63 percent of total revenue.

In 2017, the Company's total revenue was Baht 1,655 million, decreased from 2016 in which the Company's total revenue was Baht 1,856 million due to decrease in brokerage commission of Baht 267 million from Baht 1,436 million in 2016 to Baht 1,169 million in 2017 in accordance with the decrease of total trading value of the SET. The fees and services income increased by Baht 20 million from Baht 128 million in 2016 to Baht 148 million in 2017 due to the increase in securities analysis income. Moreover, income from financial instruments increased by Baht 22 million from Baht 229 million in 2016 to Baht 251 million in 2017 due to the increase of derivatives warrants of Baht 55 million from Baht 42 million in 2016 to Baht 97 million in 2017, as a result of the launch of new product which has been well accepted from the investors.

Income Structure of Company based on Consolidated Financial Statements as of 2016 – 2017

Items	2016		2017	
	Million Baht	%	Million Baht	%
Income				
Brokerage fees income	1,436.02	77.39	1,169.08	70.63
Fees and services income	128.29	6.91	148.57	8.98
Interest income on margin loans	77.26	4.17	80.53	4.86
Gain and return on financial instruments	228.85	12.33	250.83	15.15
Shares of loss from investments in an associate and a joint venture	(34.44)	-1.86	(22.25)	-1.34
Gain from charge in a joint venture proportion	-	0.00	9.87	0.60
Other income	19.69	1.06	18.54	1.12
Total Income	1,855.67	100.00	1,655.17	100.00

Brokerage Commission

Income Structure of Company's Brokerage Commission Based on Consolidated Financial Statements as of 2016 - 2017

Items	2016		2017	
	Million Baht	%	Million Baht	%
Brokerage commission from securities business	1,355.02	94.36	1,093.71	93.55
Brokerage commission from derivatives business	81.00	5.64	73.61	6.30
Other brokerage commission	-	0.00	1.76	0.15
Total	1,436.02	100.00	1,169.08	100.00

In 2017, the Company had brokerage commission of Baht 1,169 million, decreased by Baht 267 million from 2016 in which the brokerage commission was Baht 1,436 million, mainly due to the decrease in brokerage commission from securities business of Baht 261 million from Baht 1,355 in 2016 to Baht 1,094 million in 2017 as a result of the decrease in the average daily trading value from Baht 52,526 million in 2016 to Baht 50,114 million in 2017.

Fees and Services

Income Structure of Fee and Services based on Consolidated Financial Statement as of 2016 - 2017

Fees and Services	2016		2017	
	Million Baht	%	Million Baht	%
Underwriting	80.40	62.67	72.67	48.91
Financial Advisory	9.26	7.22	20.14	13.56
Borrowing / Lending securities	2.63	2.05	0.89	0.60
Securities research fees	28.00	21.83	45.70	30.76
Selling agent fees	7.38	5.75	8.30	5.59
Others	0.62	0.48	0.87	0.58
Total	128.29	100.00	148.57	100.00

In 2017, the Company received revenues from providing investment advisory and underwriting service amounted to Baht 93 million, increased by 4 percent from 2016. The revenues from investment advisory and underwriting service were Baht 20 million and Baht 73

million respectively. In 2017, the capital fund raised was Baht 106 billion, increased by 101.36 percent from 2016. The Company participated in the IPO underwriting of 23 newly listed companies out of the total number of 38 newly listed companies. The revenue from borrowing and lending of securities decreased from Baht 2.6 million in 2016 to Baht 0.9 million in 2017 as the market trend in 2017 was on the upswing resulting in the decrease in this sector, while securities research fees increased significantly due to high demand of investment from foreign investors resulting in the increase of foreign investors trading volume from Baht 3.26 trillion in 2016 to Baht 3.68 trillion in 2017.

Other revenues excluding brokerage commission, fees and services income

The Company's other revenue excluding brokerage commission, fees and services were interest from margin loans and gain from financial instruments, share of losses from investments in an associate and jointly-controlled entity, profit from the change in investment proportion in a joint venture, and other incomes.

In 2017, the Company received other revenues, excluding brokerage commissions and fees and services amounted to Baht 337 million, increased by Baht 46 million or 15.84 percent from Baht 291 million in 2016, mainly due to the increase in gain from derivatives from Baht 42 million in 2016 to Baht 97 million as derivatives warrants have been widely accepted from investors.

Expenses

Structure of Company's Expenses based on Consolidated Financial Statements as of 2016 – 2017

Items	2016		2017	
	Baht Million	%	Baht Million	%
Expenses				
Employee benefits expenses	994.31	64.23	903.15	62.42
Fees and service expenses	159.52	10.31	146.24	10.11
Finance costs	27.11	1.75	31.14	2.15
Bad debt and doubtful accounts (reversal)	(0.30)	-0.02	5.66	0.39
Loss from impairment on investment	-	0.00	0.84	0.06
Loss on sale of investment in a joint venture proportion	-	0.00	0.29	0.02
Other expenses	367.37	23.73	359.59	24.85
Total Expenses	1,548.01	100	1,446.91	100

In 2017, the Company had total expenses of Baht 1,447 million decreased from 2016 by Baht 101 million. The proportions of expenses for employee benefits and other expenses accounted for 62.42 percent and 24.85 percent of total expense respectively. Employee benefits was Baht 903 million, decreased by Baht 91 million in 2016 which was in line with the decrease in Company's trading volume. In addition, the Company's other expenses was Baht 359 million decreased from Baht 367 million in 2016 by Baht 8 million due to the closure of branch offices and the reduction in the rental space for headquarters.

Net profit

In 2017, the Company's operating result was Baht 177 million decreased from Baht 231 million in 2016 by Baht 54 million or 23.38 percent due to the decrease of total revenue from Baht 1,856 million in 2016 to Baht 1,655 million in 2017 mainly due to the decrease of the brokerage commission from Baht 1,436 million in 2015 to Baht 1,169 million in 2017 as the average daily trading volume decreased. The total expenses decreased from Baht 1,855 million in 2016 to Baht 1,447 million in 2017 by 6.53 percent due to the decrease of employee benefits and fees and services as trading volume decrease. Nevertheless, the expenses decreased in a smaller proportion than the decrease of profits resulting in the decrease in profit rate from 12.5 percent in 2016 to 10.7 percent in 2017.

Return on Equity (ROE) in 2016 and 2017 was at 9.54 percent and 6.96 percent respectively. After analysis, it was found that the Company's ROE in 2017 increased by 2.59% from 2016 because the Company's net profit margin decreased from 12.47 percent in 2016 to 10.71 percent in 2017. In addition, the factors affecting ROE which should be taken into consideration was the Company's assets turnover as it reduced from 0.35 times in 2016 to 0.26 times in 2017. However, financial leverage increased from 2.18 times in 2016 to 2.45 times in 2017 due to the decrease of securities and derivatives business payables in the last three days at the end of 2017 which was less than securities trading value in the same period in 2016.

3. Asset Management Ability

Assets

As at December 31, 2017, the Company's total assets was at Baht 5,953 million which mainly comprised of securities and derivatives business receivables-net which changed in accordance with total trading value within the last 3 business days before the end of each accounting period. This item was approximately 66 percent of total assets as at December 31, 2017. Another important asset was investment which was approximately 16 percent of the total assets on the same day.

Receivables from Thai Clearing House

As at December 31, 2017, the Company had receivables from Thai Clearing House amounted to Baht 150 million, reduced from Baht 263 million on December 31, 2016.

Securities and Derivatives Business Receivables

As of December 31, 2017, the Company had securities and derivatives business receivables-net amounted to Baht 3,925 million decreased from 2016 at the amount of Baht 4,453 million in accordance with the trading volume traded in SET and TFEX. As of December 31, 2017, the securities and derivatives business receivables-net were as follows:

- Receivables from cash accounts amounted to Baht 2,631 million or equivalent to 67.02 percent of securities and derivatives business receivables-net, decreased from 68.92 percent at the end of 2016 due to the value of securities trading within 3 days at the end of 2016 which was less than that of the value of securities trading within 3 days at the end of 2015.
- Credit balance accounts amounted to Baht 1,267 million or equivalent to 32.27 percent of securities and derivatives business receivables-net, decreased from end of 2016 which was Baht 1,342 million.
- Receivable from securities borrowing and lending as at December 31, 2017 amounted to Baht 9.58 million decreased by Baht 6.60 million from Baht 16.18 million at the end of 2016.
- Collateral receivables and other receivables as at December 31, 2017 amounted to Baht 79.69 million, decreased by Baht 6.35 million from Baht 86.04 million at the end of 2016.
- Receivables from derivatives business as at December 31, 2017 amounted to Baht 1.46 million increased from 2016 at Baht 1.29 million.

At the end of 2017, the Company set its securities receivables according to SEC and SET Announcement in order to categorize the accounts on sub-standard debts. The normal debt was at the amount of Baht 3,925 million, while there was Baht 76 million of doubtful debts was already fully reserved. The Company has a policy to select the quality clients and follow up clients to settle all transactions on time. Additionally, the Company strictly complies with SEC Notification to categorize accounts for sub-standard debts to avoid doubtful debts.

Investments

As at December 31, 2017, the Company had investment in securities at the net value of Baht 974 million. The majority were trading investments equity (listed securities) which as at such date, total net value was Baht 972 million, equivalent to 99 percent of the net investment in securities.

Investment in Subsidiary, Associate and Joint Venture

As at December 31, 2017, the Company invested in FSS International Investment Advisory Securities Co., Ltd (the Subsidiary) totaling of Baht 7.70 million, equivalent to 96.25 percent of paid-up shares; SBI Royal Securities Plc. (Associate) totaling Baht 105.46 million, equivalent to 20.01 percent of paid-up shares and also SBI Thai Online Securities Co., Ltd. (Jointly-Controlled Entity) totaling of Baht 164.56 million, equivalent to 20.51 percent of paid-up shares. The Company had reduced the investment proportion of Baht 161 million resulting in the realization of loss of investment impairment of Baht 48 million in 2017 and loss on disposition of investment proportion in a joint venture for Baht 46 million in the Company only financial statement which was a one-time expenses for the Company.

Intangible Assets

In 2017, The Company had intangible assets of Baht 253 million, increased from Baht 35 million in 2016 or by 627 percent. The significant increase in intangible assets was the computer program that's in development process in cooperation with partners of the Company in order to build an internet trading platform according to the changes in customers' behavior. The Company also aims to be the leading online securities trading service provider.

Other Assets

The company had other assets which were cash and cash equivalent, derivatives assets, loans to employees, equipment, deferred tax assets and other net assets in which net book value as at December 31, 2017, was at the amount of Baht 426 million, decreased from Baht 911 million as at end of 2016.

4. Liquidity and Sufficiency of Capital

Liquidity

In 2017, the Company's net cash flow from operating activities was Baht 764 million which mainly resulted from the increase in investment of Baht 453 million, derivatives business at the last day of 2017 and the decrease in payables to clearing house and broker-dealers and securities and derivatives business payables by Baht 567 million and Baht 540 million respectively, which was influenced by the decrease in average daily trading value comparing to the previous year.

In 2017, the Company's net cash flow from investment activities was Baht 84 million which mainly resulted from the purchase of intangible assets of Baht 140 million and received cash from the disposition of the investment in a joint venture of Baht 115 million.

In 2017, the Company's net cash flow from financing activities was Baht 283 million as the Company issued promissory notes and bills of exchange.

In considering the Company's liquidity, an additional issue was the ability to meet its Net Capital Requirement (NCR), to be in line with SEC's regulation. During the past 2 years (2016-2017), the Company was able to maintain its NCR above 7 percent which was the minimum net capital requirement from the SEC. This demonstrates that the Company had sufficient liquidity for business operation. The Company NCR on last trading day was 46.99 percent in 2016 and 60.84 percent in 2017. The ratio of net capital requirement will be changed depending on various factors such as securities trading volume and underwriting of securities.

Source of Funds

As at December 31, 2017, the Company's source of funds derived from shareholder's equity at all amount. The Company's total liabilities was Baht 3,357 million and shareholder's equity was at Baht 2,596 million which had debt to equity ratio as at December 31, 2016- 2017, equivalent to 1.61 times and 1.29 times respectively. The majority of debt came from securities and derivatives business payables in which its movement was in proportion to trading volume within 3 days before the end of each accounting period. To consider debt to shareholder's equity ratio as at December 31, 2016 - 2017, excluding securities and derivatives business payables, the Company had shareholder's equity ratio of 0.77 times and 0.69 times respectively.

5. Factors or Situation Affecting Financial Status of the Company's Operation

The Company's operation relied on many factors such as economic condition, money market situation, investor sentiment, political issue or disturbance both local and international. Liberalization of commission rate also had an impact. These factors affecting local and foreign investor's sentiments might affect financial status and operations.

Risk from changes in prices of securities that the Company invested affected profit and loss on the Company's investment. The Company, therefore, set a clear investment policy and regulation to use as guideline to prevent settlement risks and trading errors. The Company has implemented risk control and management measures for proprietary trading and considers new business activities to diversify its source of revenue.

6. Research and Development: (R&D)

The Company realizes the importance of research and development by modernizing technology in order to response the need of customers and enhances the quality of operations. The expenditure of research and development are as follows:

Year	Amount (Baht)
2015	7,099,550
2016	1,924,674
2017	190,805,233

Auditor Remuneration

1. Audit Fee

The financial statements of the Company and its subsidiary for the year-ended as at December 31, 2017 were audited by EY Office Limited. The audit fees are detailed as follows:

Finansia Syrus Securities Public Company Limited
1,560,000 Baht

FSS International Investment Advisory Securities Company Limited
400,000 Baht

2. Non-Audit Fee

- None -

RELATED TRANSACTIONS

During 2017, there were related transactions as follows;

Related Parties	Relationship	Transaction Details	Value (Million Baht)	
			2016	2017
1. Directors and Management	As of December 31, 2016	<u>Fee received</u>	0.63	0.15
	- <u>Directors</u>	<u>Accrued expenses</u>	0.17	0.40
	1. Mr. Chatchaval Jiaravanon	<ul style="list-style-type: none"> In 2016, Director 1, 3, 4, 5, and 7 had securities trading account with the Company and 1 Director (7) had total trading value of Baht 294.48 million. 		
	2. Mr. Varah Sucharitakul			
	3. Mr. Chuangchai Nawongs			
	4. Mr. Somphop Keerasuntonpong			
	5. Mrs. Pornpring Suksantisuwan			
	6. Mr. Som Pisarnsopon			
	7. Pol.Lt.Gen. Visanu Prasattongosoth			
	8. Mr. Phaiboon Siripanoosatien			
	9. Mr. Kittisak Bencharit			
	As of December 31, 2017			
	- <u>Directors</u>			
	1. Mr. Chatchaval Jiaravanon	<ul style="list-style-type: none"> In 2017, Director 1, 3, 4, 5, and 7 had securities trading account with the Company and 2 Directors (3 and 7) had total trading value of Baht 65.25 million. 		
	2. Mr. Varah Sucharitakul			
	3. Mr. Chuangchai Nawongs			
	4. Mr. Somphop Keerasuntonpong			
	5. Mrs. Pornpring Suksantisuwan			
	6. Mr. Zhisheng Xu			
	7. Pol.Lt.Gen. Visanu Prasattongosoth			
	8. Mr. Phaiboon Siripanoosatien			
	9. Mr. Kittisak Bencharit			

Related Parties	Relationship	Transaction Details	Value (Million Baht)	
			2016	2017
As of December 31, 2016				
- <u>Management</u>				
1. Mr. Kuntra Ladavalya Na Ayudya		• In 2016, Management 1, 2, 3, 4, 5, 6, 13 and 14 had securities trading account with the Company and 1 Management (13) had total trading value of Baht 4.45 million. (The Company charges directors and management with normal minimum rate according to SET.)		
2. Mr. Chatchai Chumsiri				
3. Mr. Chaiyaporn Dhammapeera				
4. Mr. Pothorn Chuemvarachart				
5. Mr. Somchai Kaewjaroenpisan				
6. Mrs. Vilai Phongpreecha				
7. Ms. Kanoknapat Sithivaraporn				
8. Mr. Supat Apiratimai				
9. Mr. Pannatat Smitthisakda				
10. Mrs. Nusara Rooncharoen				
11. Mrs. Wimon Lovichit				
12. Mr. Richard Edmond Markarian				
13. Ms. Jareerat Fuengfuskul				
14. Mr. Kosit Thammatada				
15. Mr. Warawoot Benjaputtarug				
As of December 31, 2017				
- <u>Management</u>				
1. Mr. Kuntra Ladavalya Na Ayudya		• In 2016, Management 1, 2, 3, 4, 5, 6, 13 and 14 had securities trading account with the Company and 1 Management (13) had total trading value of Baht 0.03 million. (The Company charges directors and management with normal minimum rate according to SET.)		
2. Mr. Chatchai Chumsiri				
3. Mr. Chaiyaporn Dhammapeera				
4. Mr. Pothorn Chuemvarachart				
5. Mr. Somchai Kaewjaroenpisan				
6. Mrs. Vilai Phongpreecha				
7. Ms. Kanoknapat Sithivaraporn				
8. Mr. Supat Apiratimai				
9. Mr. Pannatat Smitthisakda				
10. Mrs. Nusara Rooncharoen				
11. Mrs. Wimon Lovichit				
12. Mr. Richard Edmond Markarian				
13. Mr. Kosit Thammatada				
14. Mr. Somyot Kittisukcharoen				
15. Mrs. Duangsamorn Laplertsuk				
16. Ms. Naruamol Art-Amnuayvipas				
17. Ms. Chorpetch Riamdee				
18. Ms. Supin Suravichai				

Related Parties	Relationship	Transaction Details	Value (Million Baht)	
			2016	2017
2. The Company top 10 major shareholders	As of December 31, 2016	<u>Fee received</u>	0.39	0.55
	- <u>Top 10 major shareholders</u>			
	1. Finansia Securities Company Limited 2. ICBC (Thai) Plc. 3. Ms. Chayuda Jiaravanon 4. Mr. Chaval Jiaravanon 5. Thai NVDR Co., Ltd. 6. Mr. Anucha Sihanatkathakul 7. Mrs. Suporn Wattanavekin 8. Mr. Thawatchai Suebwonglee 9. Mr. Paitoon Manasilp 10. Mrs. Kesara Manasilp	• In 2016, Shareholders 1, 2, 3, 4, 6, 7 and 10 had securities trading account with the Company. (The Company charges directors and management with normal minimum rate according to SET.) <u>Other revenues</u>	0.11	-
	As of December 31, 2017	<u>Fee received</u>	0.39	0.55
	- <u>Top 10 major shareholders</u>			
	1. Finansia Securities Company Limited 2. ICBC (Thai) Plc. 3. Ms. Chayuda Jiaravanon 4. Mr. Chaval Jiaravanon 5. Thai NVDR Co., Ltd. 6. Mrs. Suporn Wattanavekin 7. Mr. Anucha Sihanatkathakul 8. Mr. Chamroen Rungwattanasat 9. Mr. Paitoon Manasilp 10. Mrs. Kesara Manasilp	• In 2017, Shareholders 1, 2, 3, 4, 6, 7, 8 and 10 had securities trading account with the Company. (The Company charges directors and management with normal minimum rate according to SET.)		
3. True Vision Group Co., Ltd.	Same Director as of December 31, 2016 and December 31, 2017	<u>Service fees</u> • The Company uses Cable TV satellite service from True Vision Group Co., Ltd.	0.68	0.69
4. Management		<u>Loan</u> • The Company offers loan to management and employee. <u>Interest income</u> • The Company charges the interest for loan at an average of 2% per annum for fix 12-month deposit <u>Issued Bond</u>	0.51 0.18 -	0.10 0.01 20.00

Related Parties	Relationship	Transaction Details	Value (Million Baht)	
			2016	2017
5. FSS International Investment Advisory Securities Co., Ltd.	As of December 31, 2017 It was the Company's subsidiary.	<u>Other Receivables</u>	4.27	4.27
		• from other receivables		
		<u>Income from service fees</u>		
		<u>Other expenses</u>	3.60	3.60
		• from Agreement		
			45.60	48.00
6. SBI Thai Online Securities Company Limited	As of December 31, 2017 It was the Company's Joint Venture.	<u>Income from service fees</u>	7.26	6.40
		<u>Right to use the system</u>		
			-	7.33
7. ICBC (Thai) Plc.	As of December 31, 2017 It was a major shareholder of the Company.	<u>Deposit</u>	871.63	971.92
		• The Company has current account and promissory note with the Bank.		
		<u>Margin pledged for derivative trading</u>	0.61	0.61
		<u>Accrued interest receivables</u>	4.44	2.60
		• from promissory note		
		<u>Interest incomes</u>	6.77	13.36
		• from promissory note		
		<u>Rental and service payment</u>	0.40	-
		• Branch Office Rental Fee in which the rental rate is upon Agreement and refers from the market price.		
8. Finansia Securities Co., Ltd.	As of December 31, 2017 It was the Company's subsidiary of the major shareholder of the Company.	<u>Other incomes</u>	3.56	1.80
		<u>Other expenses</u>	-	0.04
		• from agreement		
		<u>Unearned revenues</u>	-	0.05

MAJOR EVENTS IN 2017

- On April 25, 2017, a resolution was passed by a simple majority at the 2017 Annual General Meeting of Shareholders to approve the allocation of 5 percent of net profit in the year 2016 as legal reserve of 13,375,161 Baht and to approve the dividend payment from operating results of 2016 to the shareholders of the Company whose names were in the shares registration book of the Company on March 9, 2017 (Record Date), and the dividend payment date was scheduled for May 22, 2017.
- On May 31, 2017, the Company's Board of Directors resolved to approve the proposal to waive the subscription right for the newly issued share of SBITO to maintain liquidity/cash flow in business operation, resulting in the decrease in the investment proportion of the Company from 45.00 percent to 40.51 percent.
- On June 26, 2017, the Company's Board of Directors resolved to approve the disposition of the investment in SBITO to the major shareholder of SBITO. The Company had signed the sale and purchase agreement for 3,249,998 shares (40.51 percent of SBITO total shares) on July 31, 2017, in which the Company disposed the first portion of 1,604,444 shares at 71.49 Baht per share, and used the payment of such disposition which was received on August 15, 2017, as working capital. The Company has the right to dispose the rest of the investment to such buyer at the price specified in the agreement within one year from August 15, 2017, unless mutually agreed otherwise. The disposition resulted in the change of investment proportion from 40.51 percent to 20.51 percent.

As at 31 December 2016, the Company had issued and paid-up share capital of Baht 930,244,840 divided to 581,403,205 ordinary shares at par value of Baht 1.60 each

RISK FACTORS

1. Exposure to Volatility of the Market

The main revenue of the Company received from the trading brokerage fee. This relates to the economic, money market and capital market conditions, SET trading volume as well as the confidence of Thai and foreign investors. The Company's performance depends on many factors; such as political and economic situations which are over the Company's control. If there are the fluctuations of such situations, it will affect trading volume and revenue from brokerage which is the main revenue of the Company. The Company's consolidated revenue from brokerage fees in 2017, 2016 and 2015 were Baht 1,093.71 million, Baht 1,355.02 million, and Baht 1,333.62 million respectively. The Company's revenue from brokerage fees from 2017, 2016 and 2015 were Baht 1,093.71 million, Baht 1,355.02 million, and Baht 1,333.62 million respectively.

To minimize the risk of being solely reliance of the revenue on brokerage fees, the Company has policy to increase activities on other products and services; such as Investment Banking, Derivatives, SBL, Selling Agent and Global Trading as well as engage in any new financial products to offer to clients.

2. Competition within the Industry

Brokerage business is a highly competitive business because of the nature of the product which is homogeneous and number of competitors. Currently, there are 38 brokers in the industry. Moreover, after January 1, 2012, commission rate will be liberalized and this could activate severe price competition. If the Company did not maintain the quality of servicers, the Company might lose the market share.

To support the impact from the competitors, the Company strengthened the business and supported the liberalized commission rate. Moreover, the Company improved the quality services and continuously improved our employees to be more knowledgeable. The Company also developed IT system and extended the business to better serve the clients to gain more revenue.

3. Client Concentration

In 2017, 2016 and 2015, the total trading value from top 10 clients was Baht 372,283 million, Baht 413,008 million, and Baht 391,033 million, equivalent to 34.02 percent, 32.75 percent and 35.00 percent of total trading value of the Company. The absence of this group of clients will affect the Company's revenue.

The Company sees the risk in client concentration and seeks to handle such risk by expanding retails, institutional clients in both domestic and foreign countries. As at the end of 2017, 2016 and 2015, the Company had the total number of 60,390 accounts, 60,445 accounts and 57,136 accounts respectively (in 2017, the Company closed approximately 5,000 accounts that had been inactive for more than 3 years). The Company continues seeking to increase its clients both domestic and foreign institutional clients.

4. Underwriting Risk

Even though underwriting business is another source of income for the Company and a channel to keep and expand clientele, the Company has to take the risk in the event that the underwriting shares are not fully subscribed. The Company may face loss if the balance, absorbed by the Company, is traded at the price below the IPO price, and such loss may affect the Company liquidity. Such risk is subject to factors like market volatility and investor opinion on the share price.

To avoid such risk, the Company will ensure that the IPO price is appropriate and suitable. The Company must inspect and conduct a thorough examination on the company in which the Company will underwrite based on the owner's need and money market sentiment before agreeing to offer underwriting service. The Company Executive Committee will evaluate the risk before the Company commit to any underwriting service; of which the Company has never been affected by such risk. Furthermore, the Company always maintains NCR at a higher level than the 7 percent required by SEC. As of December 31st, 2017, the Company's NCR stood at 61.31 percent.

5. Risk from Default Payment

The Company reduced default risk by only selecting clients with financial stability. Furthermore, the Company has strict risk management policy and assesses client credit line according to Association of Thai Securities Companies. Credit limit review is taken seriously to ensure that the trading limit is appropriate and suitable for the clients' financial status. In case of default, the Company has stipulate measure to handle the case. Normally, clients are required to pledge collateral with the Company; the collateral can be forced sell to pay off debt immediately. Together with SET regulation, it enforces clients to deposit cash as collateral with the Company in an amount with no less than 20 percent of the credit line.

Furthermore, the Company has offered more margin loan service to clients. However, the Company has clear credit assessment with strict control and monitoring procedure to follow. The Company produces lists of securities and initial margin rate and reviews regularly. In addition, the Company has procedure to control collateral in margin account, once the value of asset is lower than required level, margin call or force sell will be enforced.

As of December 31, 2017, the Company has total receivables and accrued interest of Baht 3,923 million and doubtful debt of Baht 70 million, equivalent to 1.77 percent. The Company has set full provision for the aforementioned amount. Currently, the Company is carrying out a law suit with those categorized in doubtful debt and will write off the amount when clients fail to repay debt.

6. Reliance on Human Resources

The securities business highly relies on experienced employees especially in the field of marketing, investment banking and research which are the professions highly desired. The resignation from such employees could affect the Company's performance.

To minimize such risk and effect, the Company has policy to develop and educate every level and profession so replacement is easy when needed. Furthermore, Association of Thai Securities Companies sets the allowance on compensation given to investment consultants to help controlling the movement of such profession. The Company has also developed a clear policy where investment consultants will be properly compensated in terms of salary, bonus and welfare; as well as good caring environment at a well maintained workplace. The Company encourages good team work, bonding among co-worker, as well as offers opportunity for career growth.

7. Risk from System Failure

IT system is another important element to brokerage business, any error or failure of the system could directly affect the Company's performance and creditability. The system that the Company uses now is Intelligent Integrated Brokerage Application (IIBS) with important components of the system as follows; a Real-Time trading system called Front Office Integrated System (IFIS) and SBL system which is integrated into both Front and Back Office. As for the internet trading system for the clients, the Company offers the system called iTrade. The system enables clients to place order via online for both domestic and foreign markets. The Securities Back-Office Automation System (SBA) is a system handling settlement between the clients and Thailand Clearing House; as well as process and manage various information such as credit limit and report on NCR ratio. While Oracle Finance is used to manage accounting and finance related information, Front Office Integrated Derivatives System (IFISD) and SBAd are used for real-time derivatives trading and to process back office data.

All systems are constantly upgraded to increase efficiency to be faster and more accurate on data processing and have higher capacity. The Company has prepared backup system in terms of data storage, power system and security system. Data backup processor is located at the head office, and secondary site at 47/553-4, 47/557-8, 8th Floor, Bangkok Land Building, Popular Road, Pakkret, Nontaburi 11120. The secondary backup system is able to replace the main system in case of failure or malfunction. The utilization rate of the Company's main system is at 50 percent which could still process a lot more amount of data. As for Derivatives, the Company uses Click Trade trading systems from TFEX and from Settrade as backup systems. In addition, the Company also strictly complies with SEC in terms of code of conduct and Information Technology Security policy.

For provincial branches, the Company has installed computer with MPLS line to enable faster data travelling between head office and branches while the backup circuit will shift in when there is a system failure. The Company has also installed backup power system in case of any power system failure.

Furthermore, the Company runs a monthly testing on overall systems, especially on power system besides regular inspection from vendors every 3 months.

With continuous development on our IT system, careful selection and good information management and excellent customer service, system failure risk shall be avoided.

8. Risk Associated with Operating a Business under Regulated Environment

As securities trading business operates under regulation of SEC, SET and Anti-Money Laundering Office (AMLO), any changes in rules and regulations could affect the Company's performance. Moreover, the Company could face some risks in breaching code of conduct for services such as investment banking and broking. Such breaches could affect the Company's reputation and/or face suspension of investment consultant or penalty which could affect the Company's performance.

However, the Company has strict internal audit and compliance policy to control and monitor all employees. Any amendment on rules and regulation will be updated and announced to all employees and related parties at all time.

9. Risk of Derivatives Business

The volatility of SET Index in 2017 was caused by both internal and external factors, such as arising of interest rate from US Central Bank (FED) and China's economic slowdown affecting the environment of investment of the country. Also, the decrease in commodity prices, such as gold and oil, affected the trader of related derivatives.

Due to the high risk by nature of derivatives and complexity, the Company has strict risk management procedures and set sufficient amount of margin to be placed as collateral and clear procedure on margin call and position closing by checking Intraday Force status at 12.30 P.M. every working day together with training and educational program for employees.

For SSF Block Trade, apart from strict risk management procedures above, the Company required investors to sign in a memorandum attached to the account opening agreement before initiate transactions to acknowledge terms and conditions. Moreover, the Company sets policies to restrict the risk of this business transaction.

10. Risk of Securities Borrowing and Lending Business

Investors mainly use borrowing and lending of stocks as tool for hedging and seek for return in volatile market. The Company manages the possible risks that may arise from customer transactions by requiring borrower's deposit collateral, the value of which must be maintained at the minimum set level. If the value of the deposit collateral drops below a given level, the Company has the right to call additional collateral from the borrowers.

11. Risks on DW Business

11.1 Risks on Derivative Warrants

- The risk on price fluctuations of Derivative Warrants

The prices of DW's change rapidly and the true theoretical price are difficult to calculate due to depending on many factors. This makes DW's a low-cost but high-yield financial product where investors also make sustain substantial losses if the price move in the opposite direction from their expectations. The losses will be limited to the amount of the purchase of DW's. Therefore, to invest in such products, the investors should study and understand before investing in DW. The factors that affect the price of the DW's are as follows;

1) Demand and supply of DW's

DW's price may rise or fall sharply depending on the demand of buying and selling (Demand and supply) the DW at that moment.

2) Prices of the underlying securities or underlying stock index (when other factors are constant)

- When the prices of the underlying securities or underlying securities index rise, the price of the Call Warrant will increase accordingly, while price of the Put Warrant will drop.
- When the prices of the underlying securities or underlying stock index drop, the price of the Call Warrant will drop accordingly, while price of the Put Warrant will increase.

3) Exercise price (when other factors are constant)

- When the exercise price rises, the price of Call Warrant will drop, while price of the Put Warrant will increase.
- When the exercise price drops, the price of Call Warrant will increase, while price of the Put Warrant will drop.

4) Fluctuation in the prices of the underlying securities or underlying stock index (when other factors are constant)

- When the fluctuation of the price of underlying securities or underlying securities index rise, the price of the Call Warrant and Put Warrant may rise as well.
- When the fluctuation of the price of underlying securities or underlying securities index drop, the price of the Call Warrant and Put Warrant may drop as well.

5) Expiration date of the DW (when other factors are constant)

- When the expiration date of the DW comes up, the price of the Call Warrant and Put Warrant will decline.

6) Interest Rate (when other factors are constant)

- When interest rate rise, the price of the Call Warrant will increase while the price of the Put Warrant will decline.
- When interest rate decline, the price of the Call Warrant will decline while the price of the Put Warrant will increase.

7) Dividend yield of the underlying securities (when other factors are constant)

- When dividend yield increase, The price of Call Warrant will drop while the price of Put Warrant may rise.
- When dividend rate drop, The price of Call Warrant will rise while the price of Put Warrant may drop.

- Liquidity Risks

Each DW series that trade in the stock market may have liquidity risks because of the small amount of each series compare to securities traded in the market. In addition, the liquidity of the DW may reduce when trading of the underlying securities drop.

However, the Market Maker will send buying and selling orders to stabilize the prices and volumes in accordance with the terms of the Rights that investors can trade DW when they need. Investors should study and consider the information from a 69-Full / Short and also terms of Rights carefully before investing.

11.2 Risks from the underlying securities or underlying stock index

- The Company that issued the underlying securities grants privileges to the existing shareholders

The Company may adjust the rights for investors by varying the Exercise Price and /or Exercise ratio for Derivative Warrants which the underlying assets are in form of shares by calculating a formula specified in the Terms and Conditions. The issuer of the underlying securities (the underlying company) may give privileges to existing shareholders. These include:

- 1) Allocation of new shares to existing shareholders of the Company (the issuer of the underlying securities)
- 2) The stock dividend of the underlying company
- 3) The dividend of the underlying company
- 4) Stock split or reverse stock split of the underlying company

- Suspension or cessation of trading of the underlying securities or cessation of calculating the underlying securities index

In the event that the underlying securities are either suspended or cease trading due to announcement of Suspension (SP) or Halt (H) signs, DW's of such underlying securities will also be suspended as well and investors will not be able to trade the DW's during that period. In the event securities index ceases to calculate the related DW's will be affected as well including the underlying products which are the underlying assets which have been ceased the calculation of the underlying. It will affect the DW as well.

- The delisting of underlying securities from listed securities in the SET

In the event of delisting of underlying securities from the SET before the maturity date of the DW, the Company will move up the maturity date of DW to be sooner. Therefore, the remaining life of the DW will decline rapidly and may cause the price of DW to drop sharply as well.

- Liquidation of the underlying company

In case of the shareholders of the underlying company approved the resolution for dissolution or appointed the liquidator or court order to dissolve the company or appoint a liquidator, the Call Warrants that have not been exercised, will be cancelled and cannot be exercised. Such DW's will be cancelled at the date of the Shareholders' Meeting that approved the Company's resolution or by the date specified by the court. In that case, prices of DW's may decline drastically. In case of Put DW's, the issuer will announce the fair price of the underlying securities to holders within fifty (50) days after the meeting of shareholders of the Company has approved the dissolution resolution, or appointed a liquidator, or the court has ordered the dissolution of the Company. "Fair Price" means the price supplied by an Independent Financial Advisor which is licensed by SEC. The fair price must be calculated no more than fifty (50) days prior to the issuer announcing the fair price which is deemed to be the underlying price. The issuer must pay the different part of Net Cash Settlement Amount (if any) to the holders of DW's by paying to the bank account of the holders of the DW's or by cheque made payable to holders of the DW that are listed on the share register at the Automatic Exercise Date and sent by registered mail within nine (9) days from the date that the fair price has been announced.

In the case of DW's with underlying stock index, the Company does not adjust the multiplier index and / or exercise price, unless the issuer deems that there are reasonable grounds which have significant impact on the holders of DW's. The Company will determine the appropriate method of adjusting the multiplier index and / or exercise price fairly as well as to set the date for the adjustment of multiplier index and / or exercise price and its effective date without decreasing the rights of DW holders. The Company will notify DW holders according to the regulations of the SET and other entities involved.

11.3 Risks of failure in the settlement and delivery

The event of settlement failure refers to events that are beyond the control of the issuer of DW and not due to the fault of the issuer. This results in the issuer unable to settle with the holders of DW in exercising their rights. This includes (but is not limited) to the following events:

- (1) War or riots in the country or abroad or any other causes which results in unable DW's or the underlying securities unable to trade the stock market as normal
- (2) SET suspend trading of the underlying securities, for whatever reason
- (3) Due to laws or orders of relevant authorities with the impact on the trading of DW and / or adversely affect the underlying securities that cannot find the underlying price.

11.4 Risks of delivering securities or payment cash for difference with the Company's obligations (Credit Risk)

DW's are securities derivatives without assets collateral, so the risk of investors who invest in DW's depends on the reliability of the underlying issuer and guarantor of repayment. If the underlying issuer or guarantor of the debt cannot pay for the debt or default, the investors will have the same status as unsecured creditors of the issuer or guarantor of the underlying debt, regardless of the return of the underlying securities or index. There is a risk that investors will not get a repayment in whether in full amount or partial. Investors will have no rights to claim any of the terms of the issuer of the underlying securities or indexes.

Investors should study the information and qualifications of issuers and study factors of risk associated with the operations of the issuer, financial status, performance in the recent years and credit rating. The issuer has been rated by Fitch Ratings (Thailand) Limited at BBB + (on September 26, 2017), which is a requirement of the SEC for issuance of DW's. Investors can find out more from 69-dw-full / short 56-1 Draft terms of rights, including the events of default and the consequences of default under section 1 of the Terms and Conditions before investing.

12. Risk from having major Shareholder exceeding 25% shareholding

Finansa Public Company Limited is the major shareholder holding 29.29 percent of the total paid-up shares. The Shareholder is able to control the resolution of the important agenda of Annual General Meeting or the resolutions which legally require three-quarter of the shareholders attending the Meeting. Consequently, other shareholders have risk in terms of having not enough votes to ask for the verification or balance the vote. However, the 3 independent directors from 9 directors acting as the Company's Audit Committee are responsible for checking and recommending the Company to operate in a correct and transparent manner.

GOOD CORPORATE GOVERNANCE

Corporate Governance Policy

The Company is aware and emphasizes on the importance of Good Corporate Governance with a transparent, efficient and accountable management system in order to ensure the trusts of shareholders, investors, stakeholders and related parties. The Company also adheres to Good Corporate Governance principles as set by SEC and SET as follows:

1. The Rights of Shareholders

The Company promotes importance of shareholders rights and discloses Company's information prior to Shareholders Meetings within legal criteria.

In convening the Annual General Meeting of shareholders on April 25, 2017, at 2.00 p.m. at 1A-1B Room, 3rd Floor, Grand Mercure Fortune Bangkok Hotel, the Company provided convenience to all shareholders attending the Meeting by arranging at a location close to public transportation and provide all shareholders the date, time, venue, proposed agenda, proxy forms and relevant information on matters requiring decision well in advance.

In the previous AGM, the Company has taken the following measures;

1.1 The Company ensured all shareholders were informed of the regulations and procedures governing shareholder meetings and has sufficient information on issues to be decided in each agenda prior to the shareholders meeting.

1.2 The Company encouraged all shareholders to participate and vote in the meetings for the following agendas:

- a. Appointing or removing directors and/or electing new directors in replacement of those who retire by rotation, by allowing shareholders to exercise their votes on an individual basis.
- b. Setting the remunerations of directors in both the amount and payment criteria.
- c. Appointing the auditors and their audit fees.
- d. Considering the payment of dividends.
- e. Enabling the shareholders who cannot attend the meeting to vote on the company's agenda via proxy or appointing an independent director as their proxy.

1.3 The Company provided all shareholders equal opportunities to ask questions and comment.

1.4 The Company provided the shareholders the rights to propose any agenda and to nominate directors in advance through the SET's portal and Company's website at www.fnsyrus.com.

1.5 The Company assigned Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to mail the meeting notice and the meeting invitation letters not later than seven days before the date set for the meeting to all shareholders whose name appears in the register of shareholders in accordance to the Public Companies Act.

1.6 The Company posted invitation letter on its website at least 21 days prior to the meeting date as well as its Annual Report.

From the above, the Company has stored information for reference as followings;

Details	Source from www.fnsyus.com
1) Rights of the shareholders	Corporate Governance Policy of the Company
2) The information of each agenda	Invitation to the Annual General Meeting
3) The right to ask questions to the meeting	Minutes of the Annual General Meeting
4) The list of Board of Directors	

2. Equitable Treatment of Shareholders

2.1 All Shareholders Should Be Treated Equally

- Shareholders, who cannot vote in person, are able to vote by proxy. To facilitate shareholders unable to attend a meeting, the Company provides the proxy forms attached to the notice of the meeting sending to all shareholders.
- Shareholders, who cannot attend the meeting, are recommended to delegate their votes to any independent directors in attendance.

2.2 Protection of Minor Shareholders

- Shareholders are able to propose to add agenda and/or nominate directors prior to the shareholders meeting date.

2.3 Protection against Abuse of Inside Information

The Company has set procedures to prevent the directors and executives from using confidential information for illegal insider trading activities, whether or not such act is done for his own or another person's benefit, as follows:

- Executives, who have access to accounting information and financial statement, which is non-public information, are prohibited to purchase or sell company's securities during the designated time period until that information has become public. Directors are prohibited to purchase or sell company's securities starting from the day they receive quarterly/monthly financial statements to the date of public disclosure.
- Directors and/or executives with access to material non-public information regarding non-listed companies are prohibited to purchase or sell securities which are listed in the Securities Exchange within three working days from the day those companies are offered to the public.

During the last year, directors and executives have strictly followed the procedures so, there was no evidence of purchase or sell securities during prohibited periods.

3. The Role of Stakeholders

The Company realizes and encourages active cooperation between the Company and all groups of stakeholder. It also recognizes the importance of transparency by disclosing information in an appropriate manner to stakeholders to promote cooperation or open opportunity for participation to all stakeholders.

Stakeholder engagement guidelines are summarized below;

3.1 Shareholders

The Company not only conducts our business for a satisfactory and benefits of our shareholders in the long run, but we also ensure that all important information relevant to the Company is disclosed to our shareholders correctly and accurately. Every shareholder has the right to vote, except any shareholder who has a special interest in a resolution cannot vote on such resolution unless it is a resolution for appointing the directors.

3.2 Employees

- The Company ensures that all employees are treated fairly by providing safe environment, welfare and other privileges to its employees.
- The Company encourages its employees to participate in training courses/seminars to foster knowledge and enhance their work-related skills.
- The Company emphasizes teamwork in our company and strives to build a positive attitude towards the Company or collaborative institution.

3.3 Customers

- The Company always places customer services in the first priority, and with commitment to provide fair treatment to all customers.
- The Company attaches importance to disclose important information of the Company so that customers are generally and adequately informed.
- The Company realizes the importance of our customers' personal information. Therefore, the Company has non-disclosure policy so we do not disclose any of the customers' personal information to other customers or related parties. The Company also provides our customers with data protection system prohibiting the disclosure or misuse of customers' personal information; in this way, customers can be assured that the Company has a proper personal information security for the customers.

3.4 Business Partners/Debtors

The Company deals fairly with its business partners and creditors within the commercial terms agreed between the parties. Furthermore, the Company does not accept or offer undue interests to such parties.

3.5 Competitors

- The Company recognizes the existence of competitors to generate healthy competition under regulatory framework.
- The Company has no policy to destroy competitors. Rather, we improve our business performances on the basis that we are able to compete effectively against our competitors.
- The Company treats our competitors within international commercial and legal practices. The Company does not acquire or infringe on trade secrets of competitors by improper means. Consequently, during past year, FSS strictly abided by the ethical business standards and had no pending lawsuits with our competitors.

3.6 Communities and Societies

FSS sponsors various activities in order to provide appropriate support to communities and to create social responsibilities for employees such as providing relief to the underprivileged or disaster victims by donating money or materials to charitable organizations on multiple occasions. We also organize investment seminars to students or general investors.

3.7 Environment

FSS realizes the importance of environmental protection, so we constantly enhance environmental consciousness of our employees by influencing them to participate in energy-saving activities within the Company such as turning off unnecessary lights, using environmentally friendly equipment, utilizing paperless operations and reusing paper for unimportant documents.

3.8 Whistleblower System

The Company assigns Compliance Department to receive tip-off or complaints from customers or shareholders through following channels:

- Send documents to Compliance Center, Finansia Syrus Securities (PCL) 18th, 25th Floor, The Offices at Central World, 999/9 Rama I Road, Pathumwan, Bangkok, 10330.
- Call at 0-2658-9001-8 or fax at 0-2658-9009
- Contact via e-mail at compliance@fnsyus.com
- Send notice to FSS's website.

4. Disclosure and Transparency

The Company emphasizes the accurate disclosure of important information, both financial and non-financial, as well as other relevant information to indicate its transparency in the matters as specified in the regulations of the SET and SEC as follows:

4.1 Annual Statements (Form 56-1), and Annual Reports

The Company submits Annual Statements (Form 56-1) and an Annual Reports to the SET and SEC. The Company files the original reports to SEC and send copies to the SET via online system.

4.2 Financial Reports and Financial Conflicts of Interest Information

The Company discloses financial reports and issues with conflicts of interest via the following channels:

- Submit any financial reports or information through SET Community Portal System (SCP) to SET and SEC.
- Advertise in newspapers.
- Post in conspicuous places where FSS has its principle or branch offices.
- Inform through the Company's website.

5. Responsibilities of the Board of Directors

5.1 Independence of Directors

a) Independent Directors

The Company clearly segregates its independent directors from management by allowing them to freely express their opinions within the scope of their responsibilities and not to be under the influence of any person or group nor any circumstances causing them to be unable to express their straight opinions.

b) Roles of the Board

All members of the board are well aware of their roles and responsibilities by performing their duties prudently and honestly as the representatives of shareholders in managing the Company.

5.2 Suitability of Directors

a) Qualifications of Board of Directors

The Company has set clear qualification for the nominations of directors which are skills, experiences and expertise.

b) Time Dedication

In 2017, all directors dedicated their time in order to attend all board meetings at a designated date and time. In other words, the directors almost always participate in Board meetings to give comments, which shall later be recorded in the meeting minutes.

5.3 Transparency in the Selection of Directors

For the sake of transparency, the Company has notified shareholders on the Company's website in advance that they may nominate qualified candidate(s) to be considered for election as a director of the Company, so that they can have independence directors who are suitable for the positions. Moreover, the shareholders are able to re-appoint directors retiring by rotation.

5.4 Efficiencies of the Board of Directors

a) Determinants of policies

As the shareholders expect return on their investments from the Company's operations, the Board of Directors plays an important role in setting strategic directions and significant policies such as targets, budgets and various strategies, together with the management team.

b) Subcommittees

The Company has appointed sub-committees to act on behalf of Board of Directors to manage specific issues as deem appropriate in order to enhance management efficiencies. The Board monitors the results of each committee and/or assigned persons to ensure that their objectives are carried out

During 2017, the Board appointed ten sub-committees, namely the Audit, Remuneration, Executive, Enterprise Risk Management, Management, Investment, Damage Examination, Complaint Consideration, Information Technology Security and Purchase committees.

c) Board of Directors Meetings

In 2017, the Company scheduled the number of board and audit committee meetings as follows:

(1) Board of Directors

Board of Directors held board meetings once a month (or twelve meetings per year). Details about directors' meetings are summarized as follows:

Name	Attendance
1. Mr. Chatchaval Jiaravanon	7/12
2. Mr. Varah Sucharitakul	9/12
3. Mr. Chuangchai Nawongs	12/12
4. Mr. Somphop Keerasuntonpong	8/12
5. Mrs. Pornpring Suksantisuwan	12/12
6. Mr. Som Pisarnsophon*	2/4
7. Mr. Zhisheng Xu**	7/8
8. Pol.Lt.Gen. Visanu Prasattongsoth	12/12
9. Mr. Phai boon Siripanoosatien	12/12
10 .Mr. Kittisak Bencharit	12/12

*,** Mr.Zhisheng Xu was appointed to replace Mr. Som Pisarnsophon (resigned) effective on April 25, 2017.

Notes: It is recognized that directors may be unable to attend some meetings due to conflicts with other commitments or other unforeseen circumstances. Ms. Phatra Kanchanapraphat acted as secretary of the Board of Directors.

(2) Audit committees

Audit committees held meetings once a month totaling 12 times. Details about audit committee meetings are summarized as follows:

Name	Attendance
1. Pol.Lt.Gen. Visanu Prasattongsoth	12/12
2. Mr. Phai boon Siripanoosatien	12/12
3. Mr. Kittisak Bencharit	12/12

Mr.Praphan Thitipoomdecha acted as secretary of Audit Committee.

Internal Information Control

The Company established measures to prevent directors and executives from using internal information for one's own benefit or others.

1. Executives, who have access to accounting information and financial statement, which is non-public information, are prohibited to purchase or sell company's securities during the designated time period

until that information has become public. Directors are prohibited to purchase or sell company's securities starting from the day they receive quarterly/monthly financial statement to the date of public disclosure.

2. Directors and/or executives with access to material non-public information regarding non-listed companies are prohibited to purchase or sell securities which are listed in the Stock Exchange within three working days from the day those companies are offered to the public.

In the event that a rule violation is proven, the Company will pass judgment and determine the punishment in compliance with the rules and procedures stipulated by the Company's regulations.

During the last year, the Company's directors and executives have strictly followed the procedures, so there was no evidence of purchase or sell of securities during the prohibited periods.

Development of Directors and Top Executives

The Company is aware of the importance of necessity for its directors and executives to underlie training courses hosted by the Thai Institute of Director (IOD) and/or other training courses specified in the criteria of the Securities and Exchange Commission (SEC). The purpose of training courses is for directors and executives to carry out their duties efficiently and in compliance with good corporate governance.

The Company has applied membership for all directors with the Thai institute of Directors (IOD) in order to improve their knowledge and receive newsletters to update them. When the Company receives training course notifications and relevant documents from IOD, the Company will quickly notify the directors. The development trainings attended by each director were summarized as follows:

Board of Directors	Training Courses							
	DCP*	DAP*	ACP*	AACP*	FND*	SFE*	HRP*	CGI*
1. Mr. Chatchaval Jiaravanon	-	2008	-	-	-	-	-	2016
2. Mr. Varah Sucharitakul	2002	-	-	-	-	-	-	2016
3. Mr. Chuangchai Nawongs	-	2004	-	-	-	-	-	2015
4. Mr. Somphop Keerasuntonpong	-	2004	-	-	-	-	-	2015
5. Mrs. Pornpring Suksantisuwan	2008	2005	-	-	-	-	-	2015
6. Mr. Som Pisarnsopon	-	-	-	-	-	-	-	-
7. Mr. Zhisheng Xu	-	-	-	-	-	-	-	2017
8. Pol.Lt.Gen. Visanu Prasattongsoth	-	2004	2005	2015	2005	-	-	2015
9. Mr. Phaiboon Siripanoosatien	2008	-	2009	-	-	2013	2013	2015
10. Mr. Kittisak Bencharit	2006	-	2010	2015	-	-	-	2014

Remark:

DCP = Director Certification Program

DAP = Director Accreditation Program

ACP = Audit Committee and Continuing Development Program

AACP = Audit Committee and Continuing Development Program (Audit Committee Program) FND = Finance for Non finance Director Program

SFE = Successful Formulation & Execution of Strategy

HRP = How to Develop a Risk Management Plan

CGI = Corporate Government for Capital Market Intermediaries

SHAREHOLDER'S STRUCTURE AND MANAGEMENT

The Management Structure of the Company consists of Board of Directors and 10 sub-committees including Audit Committee, Remuneration Committee, Executive Committee, Risk Management Committee, Management Committee, Investment Committee, Damage Examination Committee, Complaint Consideration Committee, Information Technology Security Committee and Purchase Committee.

Board of Directors

As of December 31, 2017, the Board of Directors consisted of 9 directors of which 3 of them acted as Independent Directors as follows:

1. Mr. Chatchaval Jiaravanon	
Position	▪ Chairman of the Board, Finansia Syrus Securities Plc.
Age	▪ 55 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Bachelor's degree of Business Administration, University of Southern California, USA ▪ Director Accreditation Program (DAP) 71/2008 ▪ Corporate Government for Capital Market Intermediaries (CGI) 13/2016 ▪ Executive Course (9), Capital Market Academy, The Stock Exchange of Thailand
Other Current Position	<ul style="list-style-type: none"> ▪ Director (Authorized), Finansia Syrus Securities Plc. ▪ Director, True Visions Group Co., Ltd. ▪ Director and Member of the Audit Committee, Ticon Industrail Connection Plc. ▪ Director, Aeon Thanasinsap (Thailand) Plc. ▪ Managing Director & Chief Executive Officer, Telecom Holding Co., Ltd. ▪ Director, SVI Plc. ▪ Director, True Corporation Plc.
No. of Director Position	<ul style="list-style-type: none"> ▪ Listed Company 5 Companies ▪ Non-Listed Company 2 Companies
Experience	<ul style="list-style-type: none"> ▪ Director, True Vision Co., Ltd. ▪ Chairman, ACL Securities Co., Ltd. ▪ Chairman, Metro Star Property Plc.
% of Shareholding as of December 31, 2017	▪ None

2. Mr. Varah Sucharitakul	
Position	▪ Deputy Chairman of the Board, Finansia Syrus Securities Plc.
Age	▪ 53 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Master of Business Administration, University of New Hampshire, USA ▪ Director Certification Program (DCP) 21/2002 ▪ Corporate Governance for Capital Market Intermediaries (CGI) 17/2016
Other Current Position	<ul style="list-style-type: none"> ▪ Director, SBI Royal Securities Plc., Phnom Penh, Cambodia ▪ Executive Director, Finansia Securities Co., Ltd. ▪ Director, Finansia Capital Co., Ltd ▪ Executive Director, Finansia Plc.
No. of Director	▪ Listed Company 2 Companies

Position	▪ Non-Listed Company 4 Companies
Experience	<ul style="list-style-type: none"> ▪ Chairman, SBI Thai Online Securities Co., Ltd. ▪ Chairman of Executive Committee, Finansia Syrus Securities Plc. ▪ Executive Director, Thai International Plc. ▪ Director, Zoning Commission, Department of Public Work and Town & Country Planning ▪ Executive Director, Finansia Securities Co., Ltd.
% of Shareholding as of December 31, 2017	▪ None

3. Mr. Chuangchai Nawongs

Position	▪ Director, Finansia Syrus Securities Plc.
Age	▪ 56 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Master of Business Administration, Bangkok University ▪ Director Accreditation Program (DAP) 23/2004 ▪ Corporate Governance for Capital Market Intermediaries (CGI) 2/2015
Other Current Position	<ul style="list-style-type: none"> ▪ Chief Executive Officer, Finansia Syrus Securities Plc. ▪ Director (Authorized), Finansia Syrus Securities Plc. ▪ Director, SBI Royal Securities Plc., Phnom Penh, Cambodia ▪ Director (Authorized), FSS International Investment Advisory Securities Co., Ltd.
No. of Director Position	<ul style="list-style-type: none"> ▪ Listed Company 1 Company ▪ Non-Listed Company 2 Companies
Experience	<ul style="list-style-type: none"> ▪ Director, ACL Securities Co., Ltd. ▪ Chief Executive Officer, Finansia Securities Co., Ltd.
% of Shareholding as of December 31, 2017	▪ 100,000 shares

4. Mr.Somphop Keerasuntonpong

Position	▪ Director, Finansia Syrus Securities Plc.
Age	▪ 50 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ MBA General Administration, Pittsburg State University, USA ▪ Director Accreditation Program (DAP)16/2004 ▪ Corporate Governance for Capital Market Intermediaries (CGI) 3/2015 ▪ Executive Course (9), Capital Market Academy, The Stock Exchange of Thailand
Other Current Position	▪ Director (Authorized), Finansia Syrus Securities Plc.
No. of Director Position	<ul style="list-style-type: none"> ▪ Listed Company 1 Company ▪ Non-Listed Company – Company
Experience	▪ President, Syrus Securities Plc.
% of Shareholding as of December 31, 2017	▪ None

5 .Mrs.Pornpring Suksantisuwan

Position	▪ Director, Finansia Syrus Securities Plc.
Age	▪ 60 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Master of Business Administration, American University of Human Sciences ▪ Bachelor of Accountancy, Chulalongkorn University ▪ Director Accreditation Program (DAP) 48/2005 ▪ Director Certification Program (DCP) 105/2008 ▪ Corporate Governance for Capital Market Intermediaries (CGI) Class 2/2015 ▪ Executive Course (7), Capital Market Academy, The Stock Exchange of Thailand
Other Current Position	<ul style="list-style-type: none"> ▪ Director (Authorized), Finansia Syrus Securities Plc. ▪ Director (Authorized), FSS International Investment Advisory Securities Co., Ltd. ▪ Sub-committee of Securities Investor Protection Fund, Securities Investor Protection Fund or SIPF ▪ Sub-committee of Derivatives Investor Protection Fund, Derivatives Investor Protection Fund or DIPF
No. of Director Position	<ul style="list-style-type: none"> ▪ Listed Company 1 Company ▪ Non-Listed Company 2 Companies
Experience	<ul style="list-style-type: none"> ▪ Director (Authorized), SBI Thai Online Securities Co., Ltd. ▪ Director and Chief Executive Officer, ACL Securities Co., Ltd. ▪ Director, SBI Royal Securities Plc., Phnom Penh, Cambodia
% of Shareholding as of December 31, 2017	▪ None

6. Mr. Zhisheng Xu

Position	▪ Director, Finansia Syrus Securities Plc.
Age	▪ 39 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Master of Accounting, Guanghua School of Business, Peking University ▪ Corporate Government for Capital Market Intermediaries (CGI) 19/2017
Other Current Position	▪ Executive Director and Vice President, ICBC (Thai) Plc.
No. of Director Position	▪ Non-Listed Company 1 Companies
Experience	▪ Head of Division Finance, Industrial and Commercial Bank of China
% of Shareholding as of December 31, 2017	▪ None

7. Pol.Lt.Gen. Visanu Prasattongsoth

Position	▪ Independent Director, Finansia Syrus Securities Plc.
Age	▪ 55 years
Educational Background /	<ul style="list-style-type: none"> ▪ Master of Business Administration, University of San Francisco, USA ▪ Master of Political Science, Sukhothai Thammathirat Open University

Credentials	<ul style="list-style-type: none"> Director Accreditation Program (DAP) 11/2004 Audit Committee Program (ACP) 7/2005 Financial Statement for Director (FND) 19/2005 Advanced Audit Committee Program (AACP) 21/2015 Corporate Governance for Capital Market Intermediaries (CGI) 3/2015 Executive Course (2), Capital Market Academy, The Stock Exchange of Thailand
Other Current Position	<ul style="list-style-type: none"> Chairman of the Audit Committee, Finansia Syrus Securities Plc. Assistant Commissioner-General Independent Director, SBI Thai Online Securities Co., Ltd. (Resigned on January 18, 2018 and effective on January 19, 2018) Commissioner, Office of Human Resources, The Royal Thai Police Director, Krungthep Thanakom Co., Ltd Director, Thai Co Poly Industry Co., Ltd Director, Bangkok Airways Plc.
No. of Director Position	<ul style="list-style-type: none"> Listed Company 2 Companies Non-Listed Company 2 Companies Government Sector 2 Sectors
Experience	<ul style="list-style-type: none"> Commissioner, Office of Human Resources Commissioner, Office of Information and Communication Technology Deputy Senior Inspector General, Office of Inspector General, The Royal Thai Police Deputy Commissioner, Office of Human Resources, The Royal Thai Police Deputy Commissioner, Immigration Office, The Royal Thai Police Director and Chairman of the Audit Committee, ACL Securities Co., Ltd Commander, Immigration Division 2, The Royal Thai Police
% of Shareholding as of December 31, 2017	<ul style="list-style-type: none"> 3,655,614 shares (unchanged)

8. Mr. Phaiboon Siripanoosathien	
Position	<ul style="list-style-type: none"> Independent Director and Audit Committee, Finansia Syrus Securities Plc.
Age	<ul style="list-style-type: none"> 55 years
Educational Background / Credentials	<ul style="list-style-type: none"> Master of Political Science, Sukhothai Thammathirat Open University Director Certificate Program (DCP) 105/2008 Audit Committee Program (ACP) 28/2009 Successful Formulation Executive of Strategy (SFE)13/2011 How to Develop a Risk Management Plan (HRP) 4/2013 Corporate Governance for Capital Market Intermediaries (CGI) 5/2015
Other Current Position	<ul style="list-style-type: none"> Audit Committee, Finansia Syrus Securities Plc. Director, Provincial Electricity Authority Executive Director, GEO-Informatics and Space Technology Development Agency (Public Organization), Ministry of science and Technology
No. of Director Position	<ul style="list-style-type: none"> Listed Company 1 Company Non-Listed Company - Company Government Sector 2 Sectors
Experience	<ul style="list-style-type: none"> Executive Director, Office of SMEs Promotion(OSMEP), Ministry of Industry

	<ul style="list-style-type: none"> ▪ Director and Audit Committee, ACL Securities Co., Ltd. ▪ Director, Government Savings Bank ▪ Director, Electricity Generating Plc. ▪ Director, Trinity Plus Co., Ltd.
% of Shareholding as of December 31, 2017	▪ None

9. Mr. Kittisak Bencharit	
Position	▪ Independent Director and Audit Committee, Finansia Syrus Securities Plc.
Age	▪ 68 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Bachelor of Economics, University of Wisconsin, USA ▪ Director Certificate Program (DCP) 70/2006 ▪ Audit Committee Program (ACP) 32/2010 ▪ Corporate Governance for Capital Market Intermediaries (CGI) 0/2014 ▪ Advanced Audit Committee Program (AACP) 19/2015
Other Current Position	<ul style="list-style-type: none"> ▪ Audit Committee, Finansia Syrus Securities Plc. ▪ Independent Director and Audit Committee, Thonburi Medical Centre Plc. ▪ Independent Director and Audit Committee, Exotic Food Plc. ▪ Advisor of CEO and Directors, Premier Fission Capital Co., Ltd. ▪ Advisor of CEO and Directors, Premier Enterprise Plc.
No. of Director Position	<ul style="list-style-type: none"> ▪ Listed Company 4 Companies ▪ Non-Listed Company 1 Company
Experience	▪ Director and Audit Committee, ACL Securities Co., Ltd.
% of Shareholding as of December 31, 2017	▪ None

Authorized Directors

The authorized directors consist of Mr. Somphop Keerasuntonpong, Mrs. Pornpring Suksantisuwan, Mr. Chuangchai Nawongs and Mr. Chatchaval Jiaravanon, of which 2 of 4 co-sign with company seal.

Scope of Duties and Responsibilities of the Board of Directors

1. To manage the Company in accordance to laws, objectives, the article of association of the Company and the resolutions of the shareholders' meetings with honesty, integrity and business ethics and care for the best interests of the Company and the shareholders;
2. To set policies, goals and directions for the Company's business plan and budget to govern the administration of the Directors Committee to be in accordance with policy as well as to ensure that the Company has efficient and effective internal control system and determination;

3. To appoint directors to become member of the Director Committee, the appointed directors shall be responsible for the Company's administration as deemed by the Board of Directors; to appoint one director as Chairman of Executive Committee, and another one as Chief Executive Officer. In addition, the Board of Directors shall assign any director/directors or any person to perform a task on behalf of the Board of Directors;
4. To be responsible for the preparation of balance sheet and profit and loss statement as of the end of the accounting period for the Company and to ensure that such reports are accurate and reflect the true status of the Company as well as are in compliance with the general accepted accounting principle which shall be audited by the Company's auditor in order to propose to the shareholders' meeting for consideration and approval;
5. To emphasize on the importance of investor relation and ensure that the Company discloses appropriate and sufficient amount of information in accordance to the SET rules and regulations;
6. To appoint other person as deemed appropriate to manage the Company under the guidance of Board of Directors or President, such authorization given can be revoked or altered at all time. However, such authorization shall not be granted to those who have conflict of interest or could gain interest on the Company or subsidiaries. Such person will be appointed by Board of Directors with presence of independent directors;
7. To study and approve the proposal prepared by the Executive Committee for Shareholders' meeting on issues; such as capital increase, capital decrease, issuance of debenture, sales or disposition of some or entire part of the Company, purchase or acquire some or entire part of other entities, the alteration of the memorandum of association and the articles of association, and director's remuneration.
8. To consider and approve client's trading limit and operational expenses of the Company as specified by its approval authority, as well as trading limits that exceeds the approved authority of other committees and/or CEO. In cases of emergency and/or business necessity, a request for approval may be submitted to the related department for circulated approval and such approval are to be presented for acknowledgement to the Company's Board of Directors at the next meeting. However, in cases where the Company's Board of Directors has specified the operational framework and has approved operations in cases of urgency, it is required that such cases be ratified by the Company's Board of Directors at the next meeting.

The Company's structure of directors has been audited and balanced appropriately. The Board of Directors will appoint the Audit Committee consisting of at least 3 persons from the independent directors. These directors must be qualified by SET and the all rules and/or regulations of SET. At least 1 person of the Audit Committee must be knowledgeable and have experience in auditing the Company's financial statements.

Appointment of the Directors

Although there is no nomination committee to appoint any person to be the Company's directors, the Company has the policy to recruit and select individuals who can be beneficial to the Company's business. The Company has to consider several factors such as knowledge and experience related to business, etc. The criteria for the appointment and dismissal of directors are as follows;

1. The Company's Directors consists of at least 5 persons but no more than 11 persons, where by not less than half of the directors must reside in Thailand and all directors must be qualified in accordance with those stipulated in Public Company Act and the Securities and Exchange Act; however, the directors either are a shareholder or a non-shareholder of the Company;
2. The shareholders' meeting selects directors according to the guidelines as follows;
 - a. Each shareholder is entitled to 1 share for 1 vote.
 - b. Each shareholder may use all his/her votes to elect one or more than one person as directors but must allocate equal weight to such directors.
 - c. Individuals receiving the most votes equally the desired number shall become directors. In case there is a tie resulting in an excessive number of directors, the Chairman shall have the last vote.
3. In the Annual General Meeting, one-third of the directors must retire from the position. If the total number of directors is not divisible by 3, the number of directors that is nearest to one-third must resign. A lucky draw method is used to select the directors to resign during the first and second years after the listing. For the following period, the directors who have served the longest term must resign. Directors whose terms have ended may be re-elected.
4. The shareholders' meeting may pass resolution to request any director to resign prior to the end of his/her term with no less than 3 out of 4 votes from the total number of shareholders presenting and having the right to vote as long as the number of share is not less than half of the total number of shares of the shareholders presenting and having the right to vote.
5. In case of vacancy from retirement by rotation, the Board of Directors shall appoint a person who is qualified and not prohibited by the Public Company Act and the Securities and Exchange Act, to be the director during the next Board of Directors meeting, unless the remaining term of the previous director is less than 2 months, in which case the replacing director may only hold the position of directorship for a period that equals to the remaining term. The resolution of the Board of Directors shall consist of not less than 3 out of 4 votes of the other directors.

Determining the Tenure of Directors

The Company has a policy to determine the number of terms that a director may serve for as long as following; “The term of directors should not exceed three consecutive terms; however, a director having the right to be in the office longer than that shall be considered based on his/her performance and duties to the shareholders”.

Company Secretary

Ms. Phatra Kanchanaphat	
Position	▪ Company Secretary of Finansia Syrus Securities Plc.
Educational Background / Credentials	▪ Master of Business Administration, National Institute of Development Administration ▪ Financial Advisors Course, Association of Thai Securities Companies ▪ Successful Formulation and Execution Strategy Course (SFE) 25/2015 ▪ Company Secretary Program Course (CSP) 68/2016 ▪ Board Reporting Program (BRP) 19/2016 ▪ Effective Minute Taking (EMT) 34/2016 ▪ Company Reporting Program (CRP)14/2016
Experience	▪ Vice President, Corporate Finance Department, ACL Securities Co., Ltd.
% of Shareholding as of December 31, 2017	▪ None

The Company's Board of Directors has approved and appointed Miss Phatra Kanchanaphat to serve as Company Secretary. She is knowledgeable in business and finance and understands the legal criteria for registered companies because of her previous work experience. The Company's Board of Directors considers that she is the appropriate person to work effectively to the highest benefit of the Company in the role of Secretary.

Responsibilities of the Secretary

1. Establish and maintain the following documents;
 - Register of Directors
 - Board of Directors Meeting Invitation Letter, Minutes of the Board of Directors Meeting and the Company's Annual Report
 - Annual General Meeting Shareholders Invitation Letter and Minutes of Shareholders Meeting
2. Keep report of the directors and management's information
3. Perform any duties according to Capital Market Supervisory Board
4. Perform any tasks assigned by the Company

Audit Committee

As at December 31, 2017 the Committee consists of 3 persons as follows;

Full Name	Position
1. Pol.Lt.Gen. Visanu Prasattongsoth	Independent Director and Chairman of Audit Committee
2. Mr. Phaiboon Siripanoosatien	Independent Director and Member of Audit Committee
3. Mr. Kittisak Bencharit	Independent Director and Member of Audit Committee

Mr. Phaiboon Siripanoosatien and Mr. Kittisak Bancharit are knowledgeable and experienced in auditing the Company's financial statements. Mr.Praphan Thitipoomdecha acted as secretary of Audit Committee.

Scope of duties and responsibilities of Audit Committee

1. To examine the Company's financial statements and certify that they are accurate and sufficient;
2. To review efficiency and appropriateness of the Company's Internal Control System and Internal Audit;
3. To review and ensure that the Company complies with the Securities Exchange Act, Thailand Futures Exchange and any other related notifications, rules and regulations.
4. To consider, select, and nominate auditor as well as suggest the auditor remuneration scheme;
5. To consider and ensure that sufficient and complete information is disclosed on the related transaction or any transaction that may cause conflict of interest;
6. To verify the corporate governance report prepared by audit committee for annual report by the Chairman;
7. To perform any duty as delegated by Board of Directors but agreed by Audit Committee.

Appointment of the Audit Committee

Board of Directors will appoint the Audit Committee consisting of at least 3 persons appointed by the independent directors and they must be qualified by SEC, including all rules and/or regulations of SET. At least 1 person of the Audit Committee must be knowledgeable of the Company's financial statements.

Appointment of Independent Directors

Independent Director means a director who has no business involved to the management or has interest in other financial institutions that may affect their independent judgment. Their qualification must be qualified by the Capital Market Supervisory Board No. Tor. Jor. 28/2008. Re: Application for and Approval of Offer for Sale of Newly Issued Shares dated December 15th, 2008 as follows:

The Board of Directors shall consider the qualifications of the individuals for the position of the independent director by adhering to the criteria and considering prohibited characteristics of such person prior to presenting to the shareholder's meeting.

Criteria for the Selection of Independent Directors

1. The Company shall select independent directors who are fully qualified and not disqualified by the Public Company Act and the Securities Exchange Act, Thailand Futures Exchange, the notifications of SEC and/or any other related notifications, rules and regulations.

2. The Company shall recruit persons who have expertise, knowledgeable and experienced in various fields so that they are able to assist the Board of Directors on various issues.

Qualifications of Independent Directors

The independent directors must have the qualifications required by SEC as below.

1. The independent director must not hold the share exceeding 1 percent of the total shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or authorized person of the applicant, including shares held by related persons of the independent director;

2. The independent director must not be or used to be the executive director or used to be the director, employee, staff or advisor receiving salary or the authorized person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, juristic person who may create conflict of interests, unless he/she has no longer been in such a position for two years or more when submitting her/his request for permission to the Office of the Securities and Exchange Commission of Thailand.

3. The independent director has no relationship by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, executive, major shareholder, authorized person or person to be nominated as executive or authorized person of the applicant or its subsidiary company;

4. The independent director has no relationship in terms of business with the applicant, its parent company, subsidiary company, associate company or juristic person who may create conflict of interests that could interfere with their independent judgment as well as not be or used to be a shareholder, Director (not Independent Director) or executive of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, juristic person who may create conflict of interests unless the foregoing relationship has ended not less than 2 years prior to the date of filling an application with the office of the Securities and Exchange Commission of Thailand.

The term "Business relationship" according to Paragraph 1 includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receiving of financial assistance through receiving or extending loans, guarantee, providing assets as collateral and any similar actions resulting in the applicant of 3 percent or more of the net tangible assets of the applicant or Baht 20 million or more which is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transaction. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. The independent director must not be or used to be an auditor of the Company, its parent company, subsidiary company, associate company, juristic person who may create conflict of interests, shareholder, a Director who is not an Independent Director, management or a partner of the manager of the auditing office where the auditor of the Company, the parent company, subsidiary company, the affiliated companies or any juristic person who may create conflict of interests, excepting when the person has not been in such a position for two years or more before submitting his/her request for permission to the Office of the Securities and Exchange Commission of Thailand.

6. The independent director must not be or used to be a provider of any professional services including legal or financial advisors receiving service fee exceeding Baht 2 million per year from the applicant, its parent company, subsidiary company, associate company, or juristic person who may create conflict of interests in cases where the service provider is a juristic person. This extends to include major shareholders, a Director who is not an Independent Director, management, a partner and a manager of that professional service provider, except when the person has not been in that position for two years or more before submitting his/her request for permission to the Office of the Securities and Exchange Commission of Thailand.

7. The independent director must not be a director appointed as a representative of directors of the applicant, major shareholder or shareholder related to the major shareholder.

8. The independent director has no characteristics causing the inability to express independent opinions regarding to the applicant's business operation. In year 2017, the Company's independent directors have met the requirements of SEC, without having any business relationship or providing professional services to the Company.

Remuneration Committee

As of December 31, 2017, the Remuneration Committee consisted of 3 persons as follows;

Full Name	Position
1. Mr. Chatchaval Jiaravanon	Chairman of the Committee
2. Pol.Lt.Gen. Visanu Prasattongsoth	Member of the Committee
3. Mr. Varah Sucharitakul	Member of the Committee

Mr. Chuangchai Nawongs acted as secretary of the Remuneration Committee

Scope of Duties and Responsibility of the Remuneration Committee

1. To establish policy regarding remuneration and other benefits that the Company shall pay to directors and management and propose such remuneration scheme to the Board of Directors.

2. To define fair and stipulate remuneration or payment scheme.

3. To consider or adjust the remuneration or payment increment, annual bonus of directors and executive management and propose to Board of Directors.

Executive Committee

As at December 31, 2017, the Executive Committee consisted of 3 persons as follows;

Full Name	Position
1. Mr. Chuangchai Nawongs	Executive Chairman
2. Mr. Somphop Keerasuntonpong	Director
3. Mrs. Pornpring Suksantisuwan	Director

Ms.Pantuporn Mahangsa acted as the secretary of the Executive Committee.

Scope of Duties and Responsibilities of the Executive Committee

1. To consider and establish the Company policy, strategy, goal, operating plan, business plan and annual budget before proposing to the Board of Directors;
2. To govern and ensure that Company operate according to its policies, goals, strategies and operating plans as well as annual budget approved by Board of Directors;
3. To approve the operating expense that is above the Company's approved annual budget or expense limit for management;
4. To approve based on the Company policy of any underwriting transaction or any transaction related Investment Banking service;
5. To appoint or assign any person(s) to perform any duty(s) on behalf of the Executive Committee as deemed appropriate, however, such appointment or assignment can be withdrawn and/or altered at any time;
6. To perform any duties as deemed appropriate by the Board of Directors;

However, such delegation of duties and responsibilities granted by the Executive Committee must not be the delegation or sub-delegation that would enable the Executive Committee and/or authorized person to approve any transactions that may create conflict of interests (according to SET rules and regulations) between the Executive Committee or authorized person. The delegation of duties and responsibilities must be related to transactions with clear stipulation.

Risk Management Committee

As of December 31, 2017, the Risk Management Committee consisted of 7 persons as follows:

Full Name	Position
1. Mr. Chuangchai Nawongs	Chairman of the Committee
2. Mrs. Pornpring Suksantisuwan	Member of the Committee
3. Mrs. Wimon Lovichit	Member of the Committee
4. Ms. Kanokwan Preuksathamakovit	Member of the Committee
5. Mr. Akkayut Boonin	Member of the Committee

Full Name	Position
6. Ms. Chorpetch Riamdee	Member of the Committee
7. Brokerage Management*	Member of the Committee

* Brokerage Management will be reselected every quarter after finishing the terms.

* Ms. Wanthani Chanmaniwong acted as the secretary of the Risk Management Committee

Scope of Duties and Responsibilities of the Risk Management Committee

1. To consider and setup the risk management policy covering credit risk, market risk and operation risk and propose to the Board of Directors for approval.
2. To approve and comment on the relevant issue regarding the risk management policy and to follow up accordingly;
3. To approve the credit limit for trading, credit review and process the due diligence at client's credit risk;
4. To consider the solution for problems relating to the equity and derivative trading businesses;
5. To consider and list the marginable securities allowing to trade in credit balance account including to define the additional condition for trading in the high risk securities;
6. To consider the solution to debtors;
7. To consider and proceed operations to be in line with regulators; SEC, SET, AMLO, TFEX, ASCO, etc.

Management Committee

As of December 31, 2017, the Management Committee consisted of 19 persons as follows;

Full Name	Position
1. Mr. Chuangchai Nawongs	Chairman of the Committee
2. Mrs. Pornpring Suksantisuwan	Member of the Committee
3. Mr. Kuntra Ladavalaya Na Ayudhya	Member of the Committee
4. Mr. Chatchai Chumsiri	Member of the Committee
5. Mr. Chaiyaporn Dhammapeera	Member of the Committee
6. Mr. Pothorn Choemvarachart	Member of the Committee
7. Mr. Somchai Keawjaroenpisan	Member of the Committee
8. Ms. Raveewan Chaiyakit	Member of the Committee
9. Mr. Pornthep Wattanakeesunthon	Member of the Committee
10. Ms. Kulkakanang Pornsatitpongse	Member of the Committee
11. Mrs. Vilai Phongpreecha	Member of the Committee

Full Name	Position
12. Mr. Somyot Kittisukcharoen	Member of the Committee
13. Ms. Kanoknapat Sithivaraporn	Member of the Committee
14. Mr. Supat Apiratimai	Member of the Committee
15. Mr. Pannatat Samitthisakda	Member of the Committee
16. Mrs. Nusara Rooncharoen	Member of the Committee
17. Mrs. Wimon Lovichit	Member of the Committee
18. Mrs. Duangsamorn Laplertsuk	Member of the Committee
19. Ms. Jitkaneung Saengcheewong	Member of the Committee

Ms. Pantuporn Mahangsa acted as the secretary of the Management Committee.

Scope of Duties of Management Committee

1. To establish securities brokerage and derivatives policies, goals, marketing strategies and marketing plans in order to seek the approval from the Executive Committee;
2. To govern and ensure that each business unit operate according to the policies, goals, strategies and plans as well as annual budget approved by the Board of Directors;
3. To govern the investment consultants regarding the following issues:
 - 3.1 To perform duty in line with the marketing plans as approved by the Board of Directors;
 - 3.2 To follow the Company's policies precisely;
 - 3.3 To consider any issues stated by SET, SEC, TFEX and related agencies to find out the solution to prevent in the future together with developing the operation process
4. To provide the development of operation process in line with the marketing policy, the development of the Company's products and services to be more competitive in the industry level and perform any duty as delegated by the Executive Committee or the Board of Directors.

Investment Committee

As of December 31, 2017, the Investment Committee consisted of 5 persons as follows:

Full Name	Position
1. Mr. Chuangchai Nawongs	Chairman of the Committee
2. Mrs. Pornpring Suksantisuwan	Member of the Committee
3. Mrs. Wimon Lovichit	Member of the Committee
4. Ms. Chorpetch Riamdee	Member of the Committee
5. Ms. Kanokporn Khumsa-ang	Member of the Committee

Ms. Kanokporn Khumsa-ang acted as secretary of the Investment Committee.

Scope of Duties and Responsibilities of the Investment Committee

1. To set up the strategies and plans for both short-term and long-term investment for the Company;
2. To diversify risks in investments with appropriate investment proportion;
3. To limit loss from investments that might occur;
4. To report investment status to the Board of Directors to effectively monitor the Company's investment results;
5. To approve any action relating to the investments besides these above mentioned, except the limits to hold securities and losses.
6. To manage the cash of the Company and of the customers for the most optimal benefits in accordance with the announcements of the Government and the Company's policy related to such matters,
7. To consider and give approvals to policies, strategies, objectives and annual work plans of DW business transactions proposed by the Derivatives and Product Development,
8. To monitor and supervise the operations of those departments that are related to the DW business transactions enabling them to operate in accordance with the policies, strategies, objectives and work plans and, also, considering the results of operations,
9. To give an opinion on and approve the details and specific information of the DW that will be proposed for sales,
10. To observe any duties and responsibilities related to DW business transactions,
11. To appoint, assign or replace person(s) to perform any task in lieu of the Company's Board as appropriate.

Damage Examination Committee

As of December 31, 2017, the Damage Examination Committee consisted of 4 persons as follows;

Full Name	Position
1. Mr. Chuangchai Nawongs	Chairman of the Committee
2. Ms. Jitkaneung Saengcheewong	Member of the Committee
3. Mrs. Wimon Lovichit	Member of the Committee
4. Ms. Supin Suravichai	Member of the Committee

Ms. Supin Suravichai acted as secretary of the Damage Examination Committee.

Scope of Duties and Responsibility of the Damage Examination Committee

The Company has ascribed the Damage Examination Committee authorities, duties and responsibilities to examine the trading error transaction and consider any amendment as necessary.

Customer's Complaints Consideration Committee

As of December 31, 2017, the Customer's Complaints Consideration Committee consisted of 5 persons as follows;

Full Name	Position
1. Mr. Chuangchai Nawongs	Chairman of the Committee
2. Mrs. Wimon Lovichit	Member of the Committee
3. Ms. Supin Suravichai	Member of the Committee
4. Ms. Jitkaneung Saengcheewong	Member of the Committee
5. Brokerage Management*	Member of the Committee

* Brokerage Management will be changed depending on to the customer's complaints.

Ms. Supin Suravichai acted as secretary of Customer's Complaints Consideration Committee.

Scope of Duties and Responsibility of the Customer's Complaints Consideration Committee

The Company has ascribed the Compliance Department and Internal Audit Department to gather all necessary evidence to conclude the dispute and propose to the Damage Examination Committee.

Information Technology Security Committee

As of December 31, 2017, the Information Technology Security Committee consisted of 3 persons as follows;

Full Name	Position
1. Mrs. Pornpring Suksantisuwan	Chairman of the Committee
2. Mrs. Wimon Lovichit	Member of the Committee
3. Ms. Supin Suravichai	Member of the Committee

Mrs. Duangsamorn Laplertsuk acted as secretary of the Information Technology Security Committee.

Scope of Duties and Responsibility of the Information Technology Security Committee

1. To arrange and propose to the Board of Directors to approve policies and procedures relating to operational control and protection of IT security and also inform the information to the management and also all staff at all level to acknowledge and accept practice;
2. To revise and update policy as appropriated according to time and risk that might affect the stability of the Company's Information Technology.

Purchase committee.

As of December 31, 2017, the purchase Committee consisted of 6 persons as follows;

Full Name	Position
1. Mrs. Pornpring Suksantisuwan	Chairman of the Committee
2. Mrs. Wimon Lovichit	Member of the Committee
3. Ms. Supatra Pattanakijgaroon	Member of the Committee
4. Mrs. Varinphat Dumrongyingsupap	Member of the Committee
5. Ms. Kaewjai Punthawanun	Member of the Committee
6. Mrs. Duangsamorn Laplertsuk	Member of the Committee

Ms. Supatra Pattanakijgaroon acted as secretary of the Information Technology Security Committee.

Scope of Duties and Responsibility of the Purchase Committee

To set policies and approve procedures of purchasing, leasing and inspecting the Company properties such as furniture, office equipment, vehicle, equipment/computer system, other investments and property insurance to be in accordance with internal control as follows;

1. To set approval limits according to type of assets and authority level and present to Board of Directors for approval.
2. To ensure that each department comply with the guidelines and procedures of the Company strictly.
3. To consider the proposals of dealers and vendors of products or services for the appropriateness and best interest of the Company.

Management

As of December 31, 2017, the Management consisted of 21 persons as follows;

Full Name	Position
1. Mr. Chuangchai Nawongs	Chief Executive Officer and President
2. Mr. Somphop Keerasuntonpong	President
3. Mrs. Pornpring Suksantisuwan	President
4. Ms. Supin Suravichai	Chief Risk and Compliance Officer
5. Mrs. Wimon Lovichit	Chief Operating Officer
6. Ms. Chorpetch Riamdee	Chief Financial Officer
7. Mrs. Duangsamorn Laplertsuk	Chief Information Officer
8. Mr. Kuntra Ladavalya Na Ayudhya	Executive Director, Business Unit 1
9. Mr. Chatchai Chumsiri	Executive Director, Business Unit 2
10. Mr. Chaiyaporn Dhammapeera	Executive Director, Business Unit 3
11. Mr. Pothorn Choemvarachart	Executive Director, Business Unit 4
12. Mr. Somchai Kaewjaroenpisan	Executive Director, Business Unit 5
13. Mrs. Vilai Phongpreecha	Executive Director, Business Unit 7
14. Ms. Kanoknapat Sithivaraporn	Executive Director, Business Unit 8
15. Mr. Supat Apiratimai	Executive Director, Business Unit 9
16. Mr. Pannatat Samittisakda	Executive Director, Business Unit 10
17. Mrs. Nusara Rooncharoen	Executive Director, Business Unit 12
18. Mr. Somyot Kittisukcharoen	Executive Director, Business Unit 15
19. Mr. Richard Edmond Markarian	Executive Director, Business Unit – Foreign Institution
20. Ms. Naruemol Art-Amnuayvipas	Executive Director, E-Business Marketing
21. Mr. Kosit Thammatada	Executive Director, E-Business Technical

Biography of Mr. Chuangchai Nawongs, Mr.Somphop Keerasuntonpong, and Mrs. Pornpring Suksantisuwan are presented under “Board of Directors” section. The biographies of the remaining

18 executive directors are presented as follows:

1. Ms. Supin Suravichai	
Position	▪ Chief Risk and Compliance Officer
Age	▪ 52 years
Educational Background / Credentials	▪ Master Degree, Association of Chartered Certified Accountants London School of Accountancy
Experience	▪ RHB Securities Plc.
% of Shareholding as of 31 December 2017	▪ None

2. Mrs. Wimon Lovichit	
Position	▪ Chief Operating Officer
Age	▪ 57 years
Educational Background / Credentials	▪ Master of Business Administration, Thammasart University ▪ ACEP Certificate 4/2012
Experience	▪ Senior Executive Vice President-Compliance, Siam Commercial Bank Plc. ▪ Head of Compliance and Audit, SCB Securities Co., Ltd.
% of Shareholding as of 31 December 2017	▪ None

3. Ms. Chorpetch Riamdee	
Position	▪ Chief Financial Officer
Age	▪ 42 years
Educational Background / Credentials	▪ Master of Business Administration, Ramkhamhaeng University
Experience	▪ Asia Plus Group Holdings Plc. ▪ Land and Houses Securities Plc. ▪ Maybank Kim Eng Securities Plc.
% of Shareholding as of 31 December 2017	▪ None

4. Mrs. Duangsamorn Laplertsuk	
Position	▪ Chief Information Officer
Age	▪ 48 years
Educational Background / Credentials	▪ Bachelor of Engineering, Chulalongkorn University
Experience	<ul style="list-style-type: none"> ▪ Finansia Syrus Securities Plc. ▪ Vice President, Trading Application Manager, Bualuang Securities Plc. ▪ Vice President, Applicatio Architect and PMO Manager, The Siam Commercial Bank Plc.
% of Shareholding as of 31 December 2017	▪ None

5. Mr. Kuntra Ladavalaya Na Ayudhya	
Position	▪ Executive Director - Business Unit 1, Finansia Syrus Securities Plc.
Age	▪ 49 years
Educational Background / Credentials	▪ Master of Finance, University of La Verne, USA
Experience	▪ Senior Executive Vice President, Syrus Securities Plc.
% of Shareholding as of 31 December 2017	▪ 205,185 shares

6. Mr. Chatchai Chumsiri	
Position	▪ Executive Director - Business Unit 2, Finansia Syrus Securities Plc.
Age	▪ 57 years
Educational Background / Credentials	▪ Bachelor of Marketing, Bangkok University
Experience	▪ Senior Executive Vice President, Syrus Securities Plc.
% of Shareholding as of 31 December 2017	▪ 25,029 shares of paid up shares

7. Mr. Chaiyaporn Dhammapeera

Position	▪ Executive Director - Business Unit 3, Finansia Syrus Securities Plc.
Age	▪ 57 years
Educational Background / Credentials	▪ Executive MBA Sasin, Chulalongkorn University ▪ Diploma in National Defence for the Joint State-Private Sector Course 2012, Thailand National Defence College, ▪ Advanced Certificate Course in Public Economics Managed for Executives ▪ Diploma of Capital Market Academy ▪ Diploma of Environmental Governance for Executive Officer
Experience	▪ Managing Director, Finansia Securities Co., Ltd.
% of Shareholding as of 31 December 2017	▪ None

8. Mr. Pothorn Choemvarachart

Position	▪ Executive Director - Business Unit 4, Finansia Syrus Securities Plc.
Age	▪ 60 years
Educational Background / Credentials	▪ Master of Management and Human Relation, Abilene Christian University, Texas, USA
Experience	▪ Managing Director, Finansia Securities Co., Ltd.
% of Shareholding as of 31 December 2017	▪ None

9. Mr. Somchai Kaewjaroenpisan

Position	▪ Executive Director - Business Unit 5, Finansia Syrus Securities Plc.
Age	▪ 54 years
Educational Background / Credentials	▪ Master of Business Administration (Finance), Kasetsart University
Experience	▪ Senior Executive Vice President, Finansia Syrus Securities Plc. ▪ Senior Executive Vice President, Finansia Securities Co., Ltd.
% of Shareholding as of 31 December 2017	▪ None

10. Mrs. Vilai Phongpreecha	
Position	▪ Executive Director - Business Unit 7, Finansia Syrus Securities Pcl.
Age	▪ 63 years
Educational Background / Credentials	▪ Bachelor of Economics, Thammasat University ▪ Director Certificate Program (DCP)100/2008, Thai Institute of Director (IOD)
Experience	▪ Managing Director, ACL Securities Co., Ltd. ▪ Senior Executive Vice President, ACL Securities Co., Ltd.
% of Shareholding as of 31 December 2017	▪ 60,949 shares of paid up shares

11. Ms. Kanoknapat Sithivaraporn	
Position	▪ Executive Director - Business Unit 8, Finansia Syrus Securities Plc.
Age	▪ 46 years
Educational Background / Credentials	▪ Master of Business Administration (International Business), The George Washington University, Washington D.C, USA. ▪ Executive Development Program (EDP) 8/2011, Thai Listed Companies Association
Experience	▪ Senior Executive Vice President, Finansia Syrus Securities Plc. ▪ Executive Vice President Retail Sales Department, Far East Securities Co., Ltd. ▪ Asset Manager, Special Asset Management, Tisco Financial Plc.
% of Shareholding as of 31 December 2017	▪ None

12. Mr. Supat Apiratimai	
Position	▪ Executive Director - Business Unit 9, Finansia Syrus Securities Plc.
Age	▪ 54 years
Educational Background / Credentials	▪ Bachelor of Accounting, Bangkok University
Experience	▪ Senior Executive Vice President, Finansia Syrus Securities Plc. ▪ Executive Vice President, Siam City Securities Co., Ltd.
% of Shareholding as of 31 December 2017	▪ None

13. Mr. Pannatat Smitthisakda	
Position	▪ Executive Director - Business Unit 10, Finansia Syrus Securities Plc.
Age	▪ 53 years
Educational Background / Credentials	▪ Master of Public and Private Management, National Institute of Development Administration
Experience	<ul style="list-style-type: none"> ▪ Assistant Managing Director, Globex Securities Co., Ltd. ▪ Senior Executive Vice President (Securities), KGI Securities (Thailand) Plc.
% of Shareholding as of 31 December 2017	▪ None

14. Mrs. Nusara Rooncharoen	
Position	▪ Executive Director -Business Unit 12, Finansia Syrus Securities Plc.
Age	▪ 51 years
Educational Background/Credentials	▪ Master of Business Administration, Siam University
Experience	<ul style="list-style-type: none"> ▪ Senior Executive Vice President, Finansia Syrus Securities Plc. ▪ Executive Vice President, Finansia Securities Plc.
% of Shareholding as of 31 December 2017	▪ None

15. Mr. Somyot Kittisukcharoen	
Position	▪ Executive Director -Business Unit 15, Finansia Syrus Securities Plc.
Age	▪ 43 years
Educational Background / Credentials	▪ Master of Finance, Bangkok University
Experience	▪ Executive Director, Finansia Syrus Securities Plc.
% of Shareholding as of 31 December 2017	▪ None

16. Mr. Richard Edmond Markarian	
Position	▪ Executive Director - Foreign Institutional Distribution, Finansia Syrus Securities Plc.
Age	▪ 54 years
Educational Background / Credentials	▪ Bachelor degree - Arts, History, Columbia University, USA
Experience	<ul style="list-style-type: none"> ▪ Managing Director, ACL Securities Co., Ltd. ▪ Senior Executive Vice President, Thanachart Securities Plc.
% of Shareholding as of 31 December 2017	▪ None

17. Ms. Naruemol Art-Amnuayvipas	
Position	▪ Executive Director, E-Business Marketing, Finansia Syrus Securities Plc.
Age	▪ 49 years
Educational Background / Credentials	<ul style="list-style-type: none"> ▪ Master of Finance, Murray State University, Kentucky, USA ▪ Top Executives Program, Capital Market Academy 17 ▪ TLCA Executive Development Program (EDP) 9
Experience	<ul style="list-style-type: none"> ▪ Managing Director, Maybank Kim Eng Securities Plc. ▪ Managing Director, Asia Plus Securities Plc. ▪ Managing Director, Derivatives Business, KGI Securities (Thailand) Plc.
% of Shareholding as of 31 December 2017	▪ None

18. Mr. Kosit Thammatada	
Position	▪ Executive Director, E-Business Technical, Finansia Syrus Securities Plc.
Age	▪ 46 years
Educational Background / Credentials	▪ Bachelor Degree, Faculty of Science, King Mongkut's University of Technology Thonburi
Experience	<ul style="list-style-type: none"> ▪ Managing Director, AEC Securities Plc. ▪ Executive Vice President, Finansia Syrus Securities Plc.
% of Shareholding as of 31 December 2017	▪ None

Scope of Duties of Management

1. To manage and control the Company performance to be in accordance with the Company's policies, goals, business plans, strategies and annual budget approved by Board of Directors and/or Executive Committee;
2. To issue or revoke rules, operating procedures and internal control system for the Company and any announcement to ensure that the Company is in compliance with the policies;
3. To consider and approve operating expenses according to authorization limit or annual budget approved by the Board of Directors;
4. To approve credit limit for any cash account according to the Company's policy;
5. To authorize any IT and office equipment purchase according to the Company's annual budget or less than Baht 3 million;
6. To authorize any office construction or repair with the amount not exceeding Baht 1 million for the part that exceeds annual budget;
7. To be involved with employee recruitment such as, selecting, recruiting, setting remuneration scheme, relocating, training, as well as laying off and setting severance package for employee at the position of Senior Assistance Vice President and below;
8. To appoint lawyer to handle any litigation that is related to the Company business;
9. To appoint or delegate any person (s) as seen fit to act on behalf and revoke or alter such authorization;
10. To perform any tasks as delegated by the Board of Directors or the Executive Committee.

However, such delegation of duties and responsibilities granted by the Chief Executive Officer must not be the delegation or sub-delegation that would enable the Chief Executive Officer and/or authorized person to approve any transactions that may create conflict of interests (according to SET rules and regulations) between the Chief Executive Officer or authorized person. The delegation of duties and responsibilities must be related to transactions with clear stipulation.

Management Successor Plan

The Company's Board of Directors have successor plan for Chief Executive Officer, President, and senior management level. Qualified candidates from inside or outside of the Company can be nominated for the position. The purpose is to avoid any error on the Company's operation by allowing the qualified person to act on behalf of Chief Executive Officer or President or Management who retire or are unable to perform their duties. The plans are as follows;

1. Management positions required to have management handover plan are Chief Executive Officer, President and Directors;
2. The Board of Directors shall consider and set the required knowledge and experience for each management position;
3. The Board of Directors shall determine the qualification of the person who will replace each management position;
4. The Board of Directors shall evaluate the performance and caliber of qualified person and compared with the required qualification and plan development plan;
5. The Board of Directors may delegate Chief Executive Officer and President to supervise the qualified person's training program;
6. The Board of Directors shall specify duty and responsibility of the qualified person with Senior Executive Vice President level and assigns him/her to attend Board of Directors Meeting to promote understanding, experience and preparation on a rotational basis;
7. The Board of Directors may discuss the results of training and development of the qualified person in the Board of Directors Meeting.

Positions of Directors, Management and Persons with Controlling Interests in Subsidiary, Associate, Joint Venture or Related Companies

Company Lists	Subsidiary	Associate	Joint Venture	Related Company				
Full Name	FSS International Investment Advisory Securities Co., Ltd	SBI Royal Securities Plc.	SBI Thai Online Securities Company Limited	Finansa Plc.	Finansa Securities Co., Ltd	ICBC (Thai) Leasing Company Limited	True Corporation Plc.	True Visions Group Co., Ltd
1. Mr. Chatchaval Jiaravanon							✓	✓
2. Mr. Varah Sucharitakul		✓	✓✓*	✓	✓			
3. Mr. Chuangchai Nawongs	✓	✓						
4. Mr. Somphop Keerasuntonpong								
5. Mrs. Pornpring Suksantisuwan	✓		✓**					
6. Mr. Zhisheng Xu						✓		
7. Pol.Lt.Gen. Visanu Prasattongsoth			✕					
8. Mr. Phaiboon Siripanoosati								
9. Mr. Kittisak Bencharit								
10. Mr. Kuntra Ladavalaya Na Ayudhya								
11. Mr. Chatchai Chumsiri								
12. Mr. Chaiyaporn Dhammapeera								
13. Mr. Pothorn Choemvarachart								
14. Mr. Somchai Keawjaroenpisan								
15. Mrs. Vilai Phongpreecha								
16. Ms. Kanoknapat Sithivaraporn								
17. Mr. Supat Apiratimai								
18. Mr. Pannatat Samittisakda								
19. Mrs. Nusara Rooncharoen								
20. Mr. Richard Edmond Markarian								
21. Mr. Somyot Kittisukcharoen								
22. Mr. Kosit Thammatada								
23. Mrs. Wimon Lovichit								
24. Ms. Chorpetch Riamdee								
25. Ms. Naruemol Art-Amnuayvipas								
26. Ms. Supin Suravichai								
27. Mrs. Duangsamorn Laplertsuk								

* Mr.Varah Sucharitakul resigned from the position as Chairman of the Board of SBI Thai Online Securities Co., Ltd. on August 15, 2017.

** Mrs. Pornpring Suksantisuwan resigned from the position as a Director of SBI Thai Online Securities Co., Ltd. On September 6, 2017.

Remark: ✓✓ means Chairman of the Board ✓ means Directors ✕ means Independent Director

Management Remuneration

Cash Remuneration

(1) Board of Directors and Audit Committee's Remuneration

Unit: Baht

Full Name	2016		2017	
	Meeting Allowance	Bonus	Meeting Allowance	Bonus
1. Mr. Chatchaval Jiaravanon	450,000	2,000,000	450,000	2,000,000
2. Mr. Varah Sucharitakul	270,000	1,500,000	270,000	1,500,000
3. Mr. Chuangchai Nawongs	-	-	-	-
4. Mr. Somphop Keerasuntonpong	-	-	-	-
5. Mrs. Pornpring Suksantisuwan	-	-	-	-
6. Mr. Som Pisarnsopon*	160,000	500,000	40,000	-
7. Mr. Zhisheng Xu*	-	-	140,000	500,000
8. Pol.Lt.Gen. Visanu Prasattongsoth	720,000	2,000,000	720,000	2,000,000
9. Mr. Phaiboon Siripanoosatien	480,000	1,000,000	480,000	1,000,000
10. Mr. Kittisak Bencharit	480,000	1,000,000	480,000	1,000,000
Total	2,560,000	8,000,000	2,580,000	8,000,000

* Appointed Mr. Zhisheng Xu, effective from April 25, 2017, to replace the resigned director, Mr. Som Pisarnsopon, effective from April 25, 2017.

(2) Management Remuneration

In 2017, the Company paid the remuneration including salary, bonus and other expenses to the Management with the amount of Baht 153,665,302

(3) Sub Committee's remuneration

There was no cash remuneration for the sub-committee such as, Audit Committee, Remuneration Committee, Executive Committee, Risk Management Committee, Management Committee, Investment Committee, Damage Examination Committee, Complaint Consideration Committee, Information Technology Security Committee and Purchase Committee.

Other Remunerations

(1) Directors' remuneration

- None -

(2) Management's remuneration

The Company has provident fund which the Company also paid 5-7 percent of the salary each month. In 2017, the Company paid the insurance in the amount of Baht 6,004,104

The Company also paid the insurance covering the damage from the management in the amount of Baht 569,368

Directors and Management shareholding report as of December 31, 2017

No.	Full Name	Position	No. of Securities Held		
			Common Share		
			As at 31 Dec 2016	Increase/ Decrease	As at 31 Dec 2017
1.	Mr. Chatchaval Jiaravanon	Chairman	-	-	-
2.	Mr. Varah Sucharitakul	Deputy Chairman	-	-	-
3.	Mr. Chuangchai Nawongs	Director	-	100,000	100,000
4.	Mr. Somphop Keerasuntonpong	Director	-	-	-
5.	Mrs. Pornpring Suksantisuwan	Director	-	-	-
6.	Mr. Som Pisarnsophon	Director	-	-	-
7.	Mr. Zhisheng Xu	Director	-	-	-
8.	Pol.Lt.Gen. Visanu Prasattongsoth	Independent Director and Chairman of the Audit Committee	3,655,614	-	3,655,614
9.	Mr. Phaiboon Siripanoosatien	Independent Director and Chairman of the Audit Committee	-	-	-
10.	Mr. Kittisak Bencharit	Independent Director and Chairman of the Audit Committee	-	-	-
11.	Mr. Kuntra Ladavalaya Na Ayudhya	Executive Director	205,185	-	205,185
12.	Mr. Chatchai Chumsiri	Executive Director	25,029	-	25,029
13.	Mr. Chaiyaporn Dhammapeera	Executive Director	-	-	-
14.	Mr. Pothorn Choemvarachart	Executive Director	-	-	-
15.	Mr. Somchai Kaewjaroenpisan	Executive Director	-	-	-
16.	Mrs. Vilai Phongprecha	Executive Director	60,949	-	60,949
17.	Mr. Somyot Kittisukcharoen	Executive Director	-	-	-
18.	Ms. Kanoknapat Sithivaraporn	Executive Director	-	-	-
19.	Mr. Supat Apiratimai	Executive Director	-	-	-
20.	Mr. Pannatat Samittisakda	Executive Director	-	-	-
21.	Mrs. Nusara Rooncharoen	Executive Director	-	-	-
22.	Mr. Richard Edmond Markarian	Executive Director	-	-	-
23.	Ms. Naruemol Art-Amnuayvipas	Executive Director	-	-	-
24.	Mrs. Wimon Lovichit	Chief Operation Officer	-	-	-
25.	Ms. Chorpetch Riamdee	Chief Financial Officer	-	-	-
26.	Ms. Supin Suravichai	Chief Risk and Compliance Officer	-	-	-
27.	Mrs. Duangsamorn Laplertsuk	Chief information Officer	-	-	-
28.	Mr. Kosit Thammatad	Executive Director	-	-	-

Top 10 Major Shareholders as of December 31, 2017

	Name of Shareholder	Number of Share	%
1.	Finansa Public Company Limited	170,269,978	29.29
2.	ICBC (Thai) Public Company Limited	129,580,453	22.29
3.	Ms. Chayuda Jiaravanon	33,691,611	5.79
4.	Mr. Chaval Jiaravanon	33,691,611	5.79
5.	Thai NVDR Company Limited	18,742,077	3.22
6.	Mrs. Suporn Wattanavekin	15,671,944	2.70
7.	Mr. Anucha Sihanatkathakul	15,418,599	2.65
8.	Mr. Chamroen Rungwattanasat	8,030,000	1.38
9.	Mr. Paitoon Manasilp	7,282,021	1.25
10.	Mrs. Kesara Manasilp	4,725,034	0.81
	Others	144,299,697	24.83
Total		581,403,025	100.00

The shareholders of Finansa Public Company Limited as at December 31, 2017, comprise of Mr.Kobkhun Thianpreecha, holding 12.14% shares, Mr.Vorasit Pokachaiyapat, holding 8.49% shares, UBS AG Singapore Branch, holding 6.70% shares, and other shareholders holding 72.67% shares.

The shareholders of ICBC (Thai) Public Company Limited as at December 31, 2017, comprise of Industrial and Commercial Bank of China Limited, holding 97.86% shares, and other shareholders holding 2.14% shares.

Internal Control and Risk Management

The Company emphasizes on the importance of governance, monitoring and internal audit control in which the Company assesses business risk which regularly affect business operations, monitors and establish policies regarding risks from insider trading, conflict of interest and risks related to good corporate governance. The Company sets clear Management Structure, separate lines of responsibilities to create effective check and balances.

1. Comments from Audit Committee

The Company has Audit Committee to consider and revise adequacy of the internal control system to be appropriate to the changing environment. The Company assigns Internal Audit Department which is independent to audit and report directly to the Audit Committee.

The Audit Committee has revised the internal control system by considering from the monthly reports and Annual Summary of Examination as prepared by the Internal Audit Department to the Audit Committee in order to determine specific aspects of the internal control system. Moreover, the Audit Committee recommends the Internal Audit improvements and the internal control procedures emphasizing on separation of authority, the clear line of the authority and to monitor the continual improvement of any weakness from the results of examination. In

addition, to solve any problem in a correct and timely manner to prevent any breach against the laws, rules and related regulations.

At the Board of Directors Meeting No.2/2017 of February 21, 2017, the Audit Committee assessed the Internal Control System by asking questions of the management on the implementation of guidelines/recommendations to improve internal controls. In summary, in assessing FSS's internal control concerning the five areas which are (1) Organization and Environment (2) Risk Management (3) Control over Management (4) Information and Communication, and (5) Monitoring system.

The Audit Committee concluded that the Company's 5 major areas of Internal Control System including the internal control system related to major shareholders' transaction, management's transaction or any related persons were adequate. Apart from that, the other topics of the internal control system were adequate as well.

2. Head of the Company's Internal Audit and Compliance

Mr. Praphan Thitipoomdecha was the head of Internal Audit and Compliance responsible for controlling, monitoring and managing both Internal Audit and Compliance mentioned. The Audit Committee cited him in-depth knowledge understanding of business and experiences in related field as well. So, he was regarded as suitable for the position to achieve the Company's goals efficiently. However, Ms. Supin Suravichai has been appointed as Chief Risk Officer and Chief Compliance Officer effective on December 1, 2017. Ms. Supin Suravichai is responsible for Compliance and Enterprise risk management to ensure that the operation complies with the Company's policy and she was regarded as suitable for the position to achieve the Company's goals efficiently.

In this regard, the authority to appoint, discharge and transfer the Head of Internal Audit and Compliances under the Audit Committee and the Board of Directors.

DIVIDEND POLICY

The Company has policy to pay dividend in the ratio not less than 40 percent of net profit after deduction of every reserve stated in the Company's policy and dividend payment may be changed according to the Company investment plan or any necessary investment in the future.

Dividend Payment Data

Year	2015	2016	2017
Earning per share ¹	0.30	0.46	0.15
Dividend per share	0.17	0.13	0.13
Dividend payout ratio ²	38.37	46.51	28.25

Remark: 1: The Company Financial Statements

2: Dividend payout ratio calculated from profits for the year of the Company less statutory reserve (5%) in cash basis.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Company	Investment Value	% Held
FSS International Investment Advisory Securities Co., Ltd The Subsidiary was granted a license to provide investment advisory services and to be a Derivative Advisor Head Office: 12 th Floor, Unit 1210, Abdulrahim Place, 990 Rama IV Road, Silom, Bangrak, Bangkok, 10500 Tel. 0-2611-3500; Fax. 0-2611-3551	Baht 7.70 million	96.25%
SBI Royal Securities Plc. The Company operates securities business registered under Cambodian law. Head Office : Phnom Penh Tower, No.445, Preah Monivong Blvd, Sangkat Boeung Pralit, Khan 7 makara, Phnom Penh	Baht 105.46 million	20.01%
SBI Thai Online Securities Company Limited The Company operates securities business registered under Thai law. Head Office: 31 st Floor, Thai Summit Tower, 1768 New Petchaburi Road, Bangkok, Huay Kwang Bangkok 10310	Baht 164.56 million	20.51%

CORPORATE INFORMATION

The Company is a member of SET No. 24 and a member of the Thai Bond Dealing Center providing securities brokerage business.

Head Office

Incorporate Number 0107547000079

18th, 25th Floor, The Offices at Central World 999/9

Rama I Road, Pathumwan, Bangkok 10330

Tel. 0-2658-9500 Fax. 0-2658-9110 Website: [http:// www.fnsyrus.com](http://www.fnsyrus.com)

Branches

As of December 31, 2017 the Company has 32 branches consisting of:

Bangkok and its vicinity

1. Alma Link Office

9th, 14th, 15th Floor, Alma Link Building

25 Soi Chidlom, Ploenchit Road, Lumpini,

Pathumwan, Bangkok 10330

Tel: 0-2646-9999, 0-2646-9600 Fax: 0-2646-9888

2. Amarin Tower Office

20th Floor, Amarin Tower

496-502 Ploenchit Road, Lumpini, Pathumwan,

Bangkok 10330

Tel: 0-2660-5000, 0-2264-6000; Fax: 0-2660-5010

3. Central Pinklao 1 Branch

16th Floor, Room 21601/1, 1404, Central Tower A

Pinklao

7/129-221 Baromratchachonanee Road, Arunamarin,

Bangkok Noi, Bangkok 10700

Tel: 0-2878-5999; Fax: 0-2878-5998

4. Bangkapi Branch

3rd Floor, Room A3 R02, N-Mark Building

3105 Ladprao Road, Klongchan, Bangkapi,

Bangkok 10240 Tel: 0-2378-4545; Fax: 0-2378-4544

5. Bang Na Branch

19th Floor, 589/105, Tower 1 Office Building

589 Moo 12, Bang Na Trad Road, Bang Na, Bangkok

10260

Tel: 0-2740-7100; Fax: 0-2740-7199

6. Sindhorn 1 Branch

2nd Floor, Sindhorn Tower 1

130-132 Wireless Road, Lumpini, Pathumwan,

Bangkok 10330

Tel: 0-2690-4100; Fax: 0-2690-4101

7. Kian Gwan House II

18th Floor, Wireless Road, Lumpini, Pathumwan,

Bangkok, 10330

Tel: 0-2254-1717 Fax: 0-2254-1718

8. Sindhorn 3 Branch

19th Floor, Sindhorn Tower 3

130-132 Wireless Road, Lumpini, Pathumwan,

Bangkok 10330

Tel: 0-2263-2144; Fax: 0-2263-2145

9. Ladprao Branch

11th Floor, Unit 1106, Rasa Tower 2

555 Phaholyothin Road, Jatujak, Bangkok 10900

Tel: 0-2513-7477; Fax: 0-2513-7430

10. Prachachuen Branch

4th Floor, B Building

105/1, Tessaban Songkroh Road, Ladyao, Jatujak,

Bangkok 10900

Tel: 0-2580-9130; Fax: 0-2580-9138

11. Ratanatibets Branch

576, Ratanatibets Road,
Bang Krasor, Nonthaburi 11000
Tel: 0-2831-8300; Fax: 0-2831-8388, 0-2969-9117

12. Samut Sakhon Branch

813/30, Norasing Road, Mahachai, Samut Sakhon,
Samut Sakhon, 74000
Tel: 034-428-045; Fax: 034-428-044

Upcountry**1. Khon Kaen 1 Branch**

2nd floor, 311/16 Klang Muang Road, Nai Muang,
Khon Kaen 40000
Tel: 043-224-504; Fax: 043-224-506

2. Khon Kaen 3 Branch

311/11 Klang Muang Road, Nai Muang, Khon Kaen
40000
Tel: 043-058-925; Fax: 043-058-927

3. Hadyai 1 Branch

2nd Floor, 200/221,223 Juladis Hadyai Plaza Building,
Nipatuthit 3 Road, Hadyai,
Songkla 90110
Tel: 074-353-330; Fax: 074-353-329

4. Hadyai 2 Branch

106 Prachathipat Road, Hadyai, Songkla 90110
Tel: 074-243-777; Fax: 074-244-955

5. Hadyai 3 Branch

2nd Floor, 200/222, 200/224 and 200/226 Juladis
Hadyai Plaza Building,
Nipatuthit 3 Road, Hadyai, Songkla 90110
Tel: 074-898-960; Fax: 074-898-965

6. Chiang Mai 1 Branch

308 Chiang Mai Land, Changklan Road, Changklan,
Muang Chiang Mai,
Chiang Mai 50100
Tel: 053-204-711; Fax: 053-235-880, 053-272-369

13. Rangsit Branch

2, 2.5, 3 Floor, 1/832 Moo17 Soi Phaholyothin 60,
Phaholyothin Road, Kukod, Lamlookka,
Pathumthani 12130
Tel: 0-2993-8180; Fax: 0-2993-8179

14. Abdulrahim Place Branch

12th Floor, Abdulrahim Place Building, Room 1201
990, Rama IV Road, Silom, Bangrak, Bangkok 10500
Tel: 0-2611-3500; Fax: 0-2611-3551

7. Chiang Mai 2 Branch

310 Chiang Mai Land, Changklan Road, Changklan,
Muang Chiang Mai,
Chiang Mai 50100
Tel: 053-235-889, 053-204-909; Fax: 053-235-890,
053-204-910

8. Chiang Mai 3 Branch

1st Floor, Mali Place Building Room B1-1, B1-2
32/4 Moo2, Mali Place Building, Mae Hia,
Muang Chiang Mai, Chiang Mai 50100
Tel: 053-805-388; Fax: 053-805-390

9. Surat Thani Branch

173/83-84 Moo 1, Wat Pho-Bang Yai Road, Makham
Tia,
Muang District, Surat Thani 84000
Tel: 077-222-595; Fax: 077-222-596

10. Mae Sai Branch

119 Moo 10, Mae Sai, Chiang Rai 57130
Tel: 053-640-599; Fax: 053-733-819

11. Online Phuket Branch

22/18 Luang Phor Wat Chalong Road,
Talad Yai, Muang Phuket, Phuket 83000
Tel: 076-210-499; Fax: 076-210-498

12. Trang Branch

59/28 Huayyod, Tubtieng, Muang Trang, Trang
92000
Tel: 075-211-219; Fax: 075-212-400

13. Pattani Branch

300/69-70 Moo 4, Roo Samilea, Muang Pattani,
Pattani 94000
Tel: 073-350-140-4; Fax: 073-350-014

14. Chiang Rai Branch

353/15 Moo 4, Rimkok, Muang Chiang Rai,
Chiang Rai 57100
Tel: 053-750-120; Fax: 053-750-127

15. Udonthani Branch

197/29, 213/3, Udondusadee Road, Mak Khaeng,
Muang, Udonthani 41000
Tel: 042-245-589; Fax: 042-324-146

16. Nakhon Ratchasima Branch

7th Floor, The Mall Nakhon Ratchasima Office
Building, Room A3,
1242/2, Mitraphab Road, Nai Muang, Nakhon
Ratchasima 30000
Tel: 044-288-700; Fax: 044-393-732, 044-393-749

17. Sriracha Branch

G Floor, Tukcom Sriracha, 135/99 Sukhumvit Road,
Sriracha,
Chonburi 20110
Tel: 038-772-777; Fax: 038-772-781

18. Khon Kaen 2 Branch

2nd floor, 26/9 Moo 7 New Srichan Road, Nai
Muang, Khon Kaen 40000
Tel: 043-058-960; Fax: 043-058-965

Share Capital

Registered:

Baht 930,244,841 divided to 581,403,025 ordinary shares at par value of Baht 1.60 each

Issued and paid-up:

Baht 930,244,841 divided to 581,403,025 ordinary shares at par value of Baht 1.60 each

Company Registrar

Thailand Securities Depository Co., Ltd.
1st Floor, The Stock Exchange of Thailand
93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
Tel: 0-2009-9000; Fax: 0-2009-9991

Company's Auditor:

Ms. Ratana	Jala	Certified Auditor Number 3734 and/or
Ms. Somjai	Khunpasut	Certified Auditor Number 4499 and/or
Mrs. Nonglak	Pumnoi	Certified Auditor Number 4172

EY Office Limited

33rd Floor, Lake Rachada Office Complex
193/136-137, New Ratchadaphisek Road, Klongtoey, Bangkok 10110
Tel: 0-2264-0777; Fax: 0-2264-0789-90

FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED

999/9 The Offices at CentralWorld

18th, 25th Floor, Rama 1 Road , Pathumwan, Bangkok 10330

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