
GMO-Z COM SECURITIES (THAILAND) LIMITED

Financial Statements

Period ended December 31, 2017

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS GMO-Z COM SECURITIES (THAILAND) LIMITED

Opinion

We have audited the financial statements of GMO-Z com Securities (Thailand) Limited (the “Company”), which comprise the statement of financial position as at December 31, 2017, and the related statements of comprehensive income, changes in owners’ equity and cash flows for the period April 1, 2017 to December 31, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GMO-Z com Securities (Thailand) Limited as at December 31, 2017, and its financial performance and its cash flows for the period April 1, 2017 to December 31, 2017 in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Responsibilities of Management 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 Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

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



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

BANGKOK
March 7, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	As at December 31, 2017	As at March 31, 2017
ASSETS			
ASSETS			
Cash and cash equivalents	4.1	427,040,658	142,085,792
Securities and derivatives business receivables	5	12,434,436	-
Investments	6	294,421,347	812,820,000
Loans to employee	7	163,735	-
Leasehold improvement and equipment	8	24,336,870	7,125,287
Intangible assets	9	113,970,746	11,428,000
Other assets	10	36,575,040	10,503,489
TOTAL ASSETS		908,942,832	983,962,568

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

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	As at December 31, 2017	As at March 31, 2017
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Payables to Clearing House and broker - dealers	11	9,011,486	-
Securities and derivatives business payables	12	182,008	-
Provisions	13	3,865,144	561,351
Other liabilities	14	28,850,656	10,275,732
TOTAL LIABILITIES		41,909,294	10,837,083
OWNERS' EQUITY			
SHARE CAPITAL			
15			
Issued and paid-up share capital			
100,000,000 ordinary shares of Baht 10 each, fully paid		1,000,000,000	1,000,000,000
RETAINED EARNINGS (ACCUMULATED DEFICITS)			
Unappropriated (deficits)		(132,966,462)	(26,874,515)
TOTAL OWNERS' EQUITY		867,033,538	973,125,485
TOTAL LIABILITIES AND OWNERS' EQUITY		908,942,832	983,962,568

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

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM APRIL 1, 2017 TO DECEMBER 31, 2017

UNIT : BAHT

	Notes	For the period from April 1, 2017 to December 31, 2017	For the period from November 28, 2016 (date of incorporation) to March 31, 2017
REVENUES			
Brokerage fees		65,299	-
Interest on margin loans		54,493	-
Gains and return on financial instruments		9,546,820	2,190,413
Other incomes		34,507	-
Total Revenues		<u>9,701,119</u>	<u>2,190,413</u>
EXPENSES			
Employee benefits expenses		51,625,405	10,056,104
Fees and service expenses		2,555,521	-
Other expenses	18	<u>61,448,798</u>	<u>19,008,824</u>
Total Expenses		<u>115,629,724</u>	<u>29,064,928</u>
LOSS BEFORE INCOME TAX		(105,928,605)	(26,874,515)
INCOME TAX	19	<u>-</u>	<u>-</u>
LOSS FOR THE PERIOD		<u>(105,928,605)</u>	<u>(26,874,515)</u>
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of employee benefit obligations		<u>(163,342)</u>	<u>-</u>
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) NET OF TAX		<u>(163,342)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(106,091,947)</u>	<u>(26,874,515)</u>
BASIC LOSS PER SHARE	15	BAHT (1.06)	(0.52)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES			
	15	SHARES 100,000,000	51,370,968

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

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE PERIOD FROM APRIL 1, 2017 TO DECEMBER 31, 2017

UNIT : BAHT

	Note	Issued and Paid-up Share Capital	Deficits Accumulated Unappropriated (Deficits)	Total Owners' Equity
Beginning balance as at November 28, 2016 (date of incorporation)		-	-	-
Received share capital	15	1,000,000,000	-	1,000,000,000
Total comprehensive expenses for the period		-	(26,874,515)	(26,874,515)
Ending balance as at March 31, 2017		<u>1,000,000,000</u>	<u>(26,874,515)</u>	<u>973,125,485</u>
Beginning balance as at April 1, 2017		1,000,000,000	(26,874,515)	973,125,485
Total comprehensive expenses for the period		-	(106,091,947)	(106,091,947)
Ending balance as at December 31, 2017		<u>1,000,000,000</u>	<u>(132,966,462)</u>	<u>867,033,538</u>

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

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM APRIL 1, 2017 TO DECEMBER 31, 2017

UNIT : BAHT

	For the period from April 1, 2017 to December 31, 2017	For the period from November 28, 2016 (date of incorporation) to March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(105,928,605)	(26,874,515)
Adjustments		
Depreciation and amortization	5,212,281	49,827
Interest expense	19,207	-
Interest income	(9,601,313)	(2,190,413)
Employee benefits expenses	1,977,435	561,351
Loss from operating activities before changes in operating assets and liabilities	(108,320,995)	(28,453,750)
(Increase) decrease in operating assets		
Securities and derivatives business receivables	(12,380,551)	-
Investments	518,398,653	(812,820,000)
Other assets	(27,332,255)	(8,601,559)
Increase in operating liabilities		
Payables to Clearing House and broker - dealers	9,011,486	-
Securities and derivatives business payables	182,008	-
Other liabilities	8,882,705	6,611,838
Net cash provided by (used in) operating activities	388,441,051	(843,263,471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from interest	10,808,132	288,483
Cash paid for loans to employee	(163,735)	-
Cash paid for purchases of leasehold improvement and equipment	(11,666,851)	(6,568,210)
Cash paid for purchases of intangible assets	(101,013,797)	(8,371,010)
Net cash used in investing activities	(102,036,251)	(14,650,737)

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD FROM APRIL 1, 2017 TO DECEMBER 31, 2017

UNIT : BAHT

	For the period from April 1, 2017 to December 31, 2017	For the period from November 28, 2016 (date of incorporation) to March 31, 2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from increased in its share capital	-	1,000,000,000
Cash paid for liabilities under finance lease agreements	(1,449,934)	-
Net cash provided by (used in) financing activities	(1,449,934)	1,000,000,000
Net increase in cash and cash equivalents	284,954,866	142,085,792
Cash and cash equivalents at beginning of period	142,085,792	-
Cash and cash equivalents at ending of period	427,040,658	142,085,792

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

GMO-Z COM SECURITIES (THAILAND) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2017 TO DECEMBER 31, 2017

1. BUSINESS OPERATIONS AND OTHER INFORMATION OF THE COMPANY

GMO-Z com Securities (Thailand) Limited (the “Company”) is incorporated as a limited company under Thai laws. The Company’s registered office is located at No. 9, 15th Floor South Wing, G Tower Grand Rama 9, Rama 9 Road, Kwaeng Huaykwang, Khet Huaykwang, Bangkok. The parent company is GMO Financial Holdings, Inc., which changed its Company’ name from GMO CLICK Holdings, Inc. on October 1, 2017, which is incorporated in Japan, by holding 99.99% of Company’s paid up share capital and the ultimate parent company of the group is GMO Internet, Inc.

On May 25, 2017, the board of directors’ meeting passed a resolution to change the Company’s financial reporting period from April 1 to March 31 of each year to be January 1 to December 31, of each year. The first fiscal year of the change is April 1, 2017 to December 31, 2017 which the change was approved by the Revenue Department on August 10, 2017 and the Department of Business Development on August 18, 2017.

On June 22, 2017, the Company obtained securities business license type A (Full-service License) to operate securities business consisting of securities brokerage, securities dealing, securities underwriting, investment advisory service, mutual fund management, private fund management, securities borrowing and lending and venture capital management and obtained derivatives business license type Sor-1 (Full-service License) to operate securities business consisting of derivatives broker, derivatives dealer, derivatives advisor and derivatives fund management.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in Thai language in conformity with Thai Financial Reporting Standards (“TFRSs”) and accounting practices generally accepted in Thailand and in accordance with the Notifications the Securities and Exchange Commission (the “SEC”).

The presentation of the financial statements has been made in compliance with requirement of Thai Account Standard No. 1 (Revised 2016) “Presentation of Financial Statements”, and also the Notification of the SEC No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”.

During the period from April 1, 2017 to December 31, 2017 the Company disclosed the information in accordance with the regulations of the SEC No. SorTor. 22/2559, dated June 2, 2016, regarding “The Form of Financial Statements for Securities Companies (No.2)”, which is effective for the financial statements for the accounting periods beginning on or after January 1, 2017 onwards. The financial statements for the period from November 28, 2016 (date of incorporation) to March 31, 2017 presented for comparison, have been reclassified accordingly.

The statement of financial position as at March 31, 2017 has been reclassified to conform to the classification used in the statement of financial position as at December 31, 2017 as follows;

	As at March 31, 2017 Baht	Previous Classification	New Classification
Fixed deposits	812,820,000	Deposits at financial institutions	Investments
Post-employment benefit obligations	561,351	Employee benefit obligations	Provisions

In addition, the statements of comprehensive income for the period from November 28, 2016 (date of incorporation) to March 31, 2017 have been reclassified to conform to the classification used in the statements of comprehensive income for the period from April 1, 2017 to December 31, 2017 as follows;

	For the period from November 28, 2016 (date of incorporation) to March 31, 2017 Baht	Previous Classification	New Classification
Bank interest income	2,190,413	Interest	Gains and return on financial instruments
Personnel expenses	10,026,104	Personnel expenses	Employee benefits expenses
Premises and equipment expenses	1,931,726	Premises and equipment expenses	Other expenses
Directors' remuneration	30,000	Directors' remuneration	Employee benefits expenses

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

2.3 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements.

The Federation of Accounting Professions (the “FAP”) has issued the Notifications regarding TFRSs which are effective for the financial statements for the periods beginning on or after January 1, 2017 onwards, as follows:

Thai Accounting Standards (“TASs”)

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2016)	Income Taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture

Thai Financial Reporting Standards (“TFRSs”)

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

Thai Accounting Standards Interpretations (“TSICs”)

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

Thai Financial Reporting Standard Interpretations (“TFRICs”)

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

Guideline of Accounting

Guideline of accounting for derecognition of financial assets and financial liabilities

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

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

The FAP issued the Notifications regarding TFRSs, which will be effective for the accounting period beginning on or after January 1, 2018 onwards.

Thai Accounting Standards (“TASs”)

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events after the Reporting Period
TAS 11 (Revised 2017)	Construction Contracts
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans

Thai Accounting Standards (“TASs”) (continued)

TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property
TAS 41 (Revised 2017)	Agriculture

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TFRS 2 (Revised 2017)	Share - Based Payment
TFRS 3 (Revised 2017)	Business Combinations
TFRS 4 (Revised 2017)	Insurance Contracts
TFRS 5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2017)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement

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TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2017)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRICs”)

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TFRIC 5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2017)	Applying the Restatement Approach under TAS 29 (Revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2017)	Service Concession Arrangements
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 14 (Revised 2017)	TAS 19 (Revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
TFRIC 20 (Revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2017)	Levies

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Securities and derivatives business receivables and allowance for doubtful accounts

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

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

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

- (3) Installment loans with repayments scheduled more than 3 months for each installment, unless there is clear evidence and a high degree of certainty that full repayment will be received.
- c) Sub-standard debt is defined as the collateralized portion of loans which meet the criteria in b).

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

3.3 Investments

Investments consist of investment in deposits at financial institutions.

Investment in deposits at financial institutions include fixed deposit account, promissory notes, treasury bills and government bonds maturing more than 3 months from the date of acquisition.

3.4 Leasehold improvement and equipment and depreciation

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

Depreciation of leasehold improvement and equipment are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	5 Years
Office equipment	5 Years
Furniture	5 Years
Computer	3 Years
Vehicle	5 Years

The carrying amounts of the Company's assets are reviewed at the end of reporting period to determine whether there is any indication of a permanent allowance for diminution in value. If any such indication exists, the assets' recoverable amounts are estimated. The allowance for diminution in value will be recognized when the carrying amounts of assets are higher than net realizable value. A loss on allowance for diminution in value is recognized in the statement of comprehensive income.

3.5 Intangible assets and amortization

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

Amortization is charged to the statement of comprehensive income on a straight-line basis over its estimated useful life as follows:

Computer software

3 - 5 Years

Intangible assets with indefinite useful life are tested for impairment annually or whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

3.6 Payable to Clearing House and broker - dealers

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

3.7 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 other parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

3.8 Provision for liabilities

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

3.9 Provision for restoring costs of leasehold office improvements

Provision for restoring costs of leasehold office improvements represents the liability, incurred from the office lease agreements which are estimated based on quotation from vendor with discounted basis.

3.10 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

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

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

3.11 Revenue and expenses recognition

3.11.1 Brokerage fees income

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

3.11.2 Interest on margin loans

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

3.11.3 Gains and return on financial instruments

Gains and return on financial instruments is interest on bank accounts which is recognized as income on an accrual basis.

3.11.4 Other incomes

Other incomes are recognized on an accrual basis.

3.11.5 Expenses

Expenses are recognized on an accrual basis.

3.12 Long-term lease agreements - as lessee

Operating leases

Leases of assets under which all the risks and rewards of ownership of assets substantially retained by the lessors, are classified as operating leases. Lease payments under operating leases are recognized as expenses in the statement of comprehensive income on the straight-line basis over the lease agreements.

Finance leases

Leases in which substantially all the risks and rewards of ownership, other than legal title, are transferred to the Company are accounted for as finance leases. At inception, the fair value of the leased assets is recorded together with the obligation. The leased assets are depreciated using the straight-line method over their estimated useful lives of the assets. Interest or financial charge is calculated with effective interest rate method, depreciation and interest or financial charge are recognized as expenses in the statement of comprehensive income.

3.13 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company records deferred tax directly to owners' equity if the tax relates to items that are recorded directly to owners' equity.

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

3.14 Basic earnings (loss) per share

Basic earnings (loss) per share as presented in the statements of comprehensive income is determined by dividing net profit (loss) for the period by the weighted average number of common shares outstanding during the period.

3.15 Foreign currency transaction

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

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

3.16 Financial instruments

The Company has not speculated in or engaged in trading of any derivatives instruments.

Financial instrument carried in the statement of financial position include cash and cash equivalents. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.17 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

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

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

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

3.18.2 Key sources of estimation uncertainty

Fair value measurements and valuation processes

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

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

4. CASH AND CASH EQUIVALENTS

4.1 Cash and cash equivalents as at December 31, 2017 and March 31, 2017, consist of:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Cash on hand	30,000	-
Deposit at bank - saving accounts	187,787,868	141,747,502
Deposit at bank - current accounts	13,411,300	338,290
Fixed deposits with maturity within 3 months	1,130,080	-
Promissory note with maturity within 3 months	225,000,000	-
<u>Less</u> Deposits in customers' accounts	<u>(318,590)</u>	<u>-</u>
Total cash and cash equivalents	<u>427,040,658</u>	<u>142,085,792</u>

4.2 Non-cash items for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017 are as follow:

4.2.1 Payables from purchases of leasehold improvement and equipment (recognized as a part of other liabilities) as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Payables from purchases of leasehold improvement and equipment brought forward	606,904	-
<u>Add</u> Purchases during the period	<u>11,647,455</u>	<u>7,175,114</u>
<u>Less</u> Cash payments during the period	<u>(11,666,851)</u>	<u>(6,568,210)</u>
Payables from purchases of leasehold improvement and equipment carried forward	<u>587,508</u>	<u>606,904</u>

4.2.2 Payables from purchases of intangible assets (recognized as a part of other liabilities) as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Payables from purchases of intangible assets brought forward	3,056,990	-
<u>Add</u> Purchases during the period	<u>104,070,787</u>	<u>11,428,000</u>
<u>Less</u> Cash payments during the period	<u>(101,013,797)</u>	<u>(8,371,010)</u>
Payables from purchases of intangible assets carried forward	<u>6,113,980</u>	<u>3,056,990</u>

- 4.2.3 Liabilities under finance lease agreements (recognized as a part of other liabilities) as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Liabilities under finance lease agreements brought forward	-	-
<u>Add</u> Purchases during the period	8,104,559	-
<u>Less</u> Cash payments during the period	(1,449,934)	-
Liabilities under finance lease agreements carried forward	<u>6,654,625</u>	<u>-</u>

5. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

- 5.1 Securities and derivatives business receivables as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
<u>Securities business receivables</u>		
Cash accounts	324,030	-
Credit balance accounts	12,056,521	-
<u>Add</u> Accrued interest income	53,885	-
Total securities business receivables	<u>12,434,436</u>	<u>-</u>
<u>Derivatives business receivables</u>		
Derivatives business receivables	-	-
Total securities and derivatives business receivables	<u>12,434,436</u>	<u>-</u>

- 5.2 As at December 31, 2017 and March 31, 2017, the Company has classified its securities business receivables and related interest receivables in accordance with the Notification of the SEC No. KorThor. 33/2543 dated August 25, 2000 which is updated by Notification No. KorThor. 5/2544 dated February 15, 2001, governing accounting for the doubtful debts of securities companies as follows:

	As at December 31, 2017			As at March 31, 2017		
	Securities business receivables and interest receivables	Allowance for doubtful accounts	Net receivables after allowance for doubtful accounts	Securities business receivables and interest receivables	Allowance for doubtful accounts	Net receivables after allowance for doubtful accounts
Normal	12,434,436	-	12,434,436	-	-	-
Substandard debts	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Total	<u>12,434,436</u>	<u>-</u>	<u>12,434,436</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. INVESTMENTS

6.1 Cost and Fair value

	As of December 31, 2017		As of March 31, 2017	
	Cost/ Amortized cost	Fair value	Cost/ Amortized cost	Fair value
Held-to-maturity investments				
Fixed deposits	254,321,347	254,321,347	812,820,000	812,820,000
Deposit under commitment	40,100,000	40,100,000	-	-
Total held-to-maturity investments	<u>294,421,347</u>	<u>294,421,347</u>	<u>812,820,000</u>	<u>812,820,000</u>
Total investments	<u>294,421,347</u>		<u>812,820,000</u>	

6.2 Investments in deposits at financial institutions classified by remaining periods of contracts

	As at December 31, 2017			(Unit: Baht)
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity investments				
Fixed deposits	254,321,347	-	-	254,321,347
Deposit under commitment	40,100,000	-	-	40,100,000
Total held-to-maturity investments	<u>294,421,347</u>	<u>-</u>	<u>-</u>	<u>294,421,347</u>

	As at March 31, 2017			(Unit: Baht)
	Within 1 year	1 - 5 years	Over 5 years	Total
Held-to-maturity investments				
Fixed deposits	787,820,000	25,000,000	-	812,820,000
Total held-to-maturity investments	<u>787,820,000</u>	<u>25,000,000</u>	<u>-</u>	<u>812,820,000</u>

7. LOANS TO EMPLOYEE

Loans to employee as at December 31, 2017 and March 31, 2017, consist of:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
At call	-	-
Within 1 year	115,253	-
Over 1 year	48,482	-
Total loans to employee	<u>163,735</u>	<u>-</u>

8. LEASEHOLD IMPROVEMENT AND EQUIPMENT

					(Unit: Baht)
For the period from April 1, 2017 to December 31, 2017					
	Balance as at April 1, 2017	Increase	Decrease	Transfer in / (out)	Balance as at December 31, 2017
Cost					
Leasehold improvement	487,662	3,783,384	-	8,050,903	12,321,949
Office equipment	419,106	1,758,949	-	414,305	2,592,360
Furniture	-	2,818,624	-	934,926	3,753,550
Computer	393,262	6,617,668	-	-	7,010,930
Vehicle	-	2,392,148	-	-	2,392,148
Total cost	<u>1,300,030</u>	<u>17,370,773</u>	<u>-</u>	<u>9,400,134</u>	<u>28,070,937</u>
Accumulated depreciation					
Leasehold improvement	(3,496)	(1,126,675)	-	-	(1,130,171)
Office equipment	(7,921)	(323,742)	-	-	(331,663)
Furniture	-	(473,897)	-	-	(473,897)
Computer	(38,410)	(1,440,976)	-	-	(1,479,386)
Vehicle	-	(318,950)	-	-	(318,950)
Total accumulated depreciation	<u>(49,827)</u>	<u>(3,684,240)</u>	<u>-</u>	<u>-</u>	<u>(3,734,067)</u>
Construction in progress	5,875,084	3,525,050	-	(9,400,134)	-
Leasehold improvement and equipment	<u>7,125,287</u>				<u>24,336,870</u>

					(Unit: Baht)
For the period from November 28, 2016 (date of incorporation) to March 31, 2017					
	Balance as at November 28, 2016	Increase	Decrease	Transfer in / (out)	Balance as at March 31, 2017
Cost					
Leasehold improvement	-	487,662	-	-	487,662
Office equipment	-	419,106	-	-	419,106
Computer	-	393,262	-	-	393,262
Total cost	<u>-</u>	<u>1,300,030</u>	<u>-</u>	<u>-</u>	<u>1,300,030</u>
Accumulated depreciation					
Leasehold improvement	-	(3,496)	-	-	(3,496)
Office equipment	-	(7,921)	-	-	(7,921)
Computer	-	(38,410)	-	-	(38,410)
Total accumulated depreciation	<u>-</u>	<u>(49,827)</u>	<u>-</u>	<u>-</u>	<u>(49,827)</u>
Construction in progress	-	5,875,084	-	-	5,875,084
Leasehold improvement and equipment	<u>-</u>				<u>7,125,287</u>

Depreciation for the periods from		
April 1, 2017 to December 31, 2017	Baht	<u>3,684,240</u>
November 28, 2016 (date of incorporation) to March 31, 2017	Baht	<u>49,827</u>

As at December 31, 2017 and March 31, 2017, there are no fully depreciated leasehold improvement and equipment that are still in use.

As at December 31, 2017, the Company recorded initial estimated cost of dismantling and removing the asset and restoring the site of office of Baht 1,143,809 as a part of leasehold improvement (March 31, 2017 : Nil).

9. INTANGIBLE ASSETS

		For the period from April 1, 2017 to December 31, 2017				(Unit: Baht)
	Useful life	Balance as at April 1, 2017	Increase	Decrease	Transfer in / (out)	Balance as at December 31, 2017
Cost						
Initial membership fee	Undefined	-	20,000,000	-	-	20,000,000
SET membership fee	Undefined	-	50,000,000	-	-	50,000,000
Computer software	3 - 5 Years	-	11,268,978	-	34,229,809	45,498,787
Total cost		-	81,268,978	-	34,229,809	115,498,787
Accumulated amortization						
Computer software	3 - 5 Years	-	(1,528,041)	-	-	(1,528,041)
Total accumulated amortization		-	(1,528,041)	-	-	(1,528,041)
Computer software under installation	-	11,428,000	22,801,810	-	(34,229,809)	-
Intangible assets		<u>11,428,000</u>				<u>113,970,746</u>

		For the period from November 28, 2016 (date of incorporation) to March 31, 2017				(Unit: Baht)
	Useful life	Balance as at November 28, 2016	Increase	Decrease	Transfer in / (out)	Balance as at March 31, 2017
Computer software under installation	-	-	11,428,000	-	-	11,428,000
Intangible assets		<u>-</u>				<u>11,428,000</u>

Amortization for the periods from			
April 1, 2017 to December 31, 2017		Baht	<u>1,528,041</u>
November 28, 2016 (date of incorporation) to March 31, 2017		Baht	<u>-</u>

Initial and SET membership fee have an undefined useful life when there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the entity. Therefore, the Company has not amortized such intangible assets but those assets are tested for impairment annually or whenever there is an indication that the intangible assets may be impaired and allowance for impairment is recognized (if any).

As at December 31, 2017 and March 31, 2017, there are no fully depreciated computer software that is still in use.

10. OTHER ASSETS

Other assets as at December 31, 2017 and March 31, 2017, consist of:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Other receivable - related company	109,400	54,400
Other receivable - other companies	397	-
Accrued interest receivable	641,226	1,901,930
Prepaid expense	7,643,255	1,761,512
Revenue Department receivable	13,628,949	1,931,354
Clearing fund	12,023,678	-
Deposits	1,983,197	3,978,810
Others	544,938	875,483
Total other assets	<u>36,575,040</u>	<u>10,503,489</u>

11. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

Payables to Clearing House and broker - dealers as at December 31, 2017 and March 31, 2017, consist of:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Payables to Clearing House - securities	<u>9,011,486</u>	<u>-</u>
Total payables to Clearing House and broker - dealers	<u>9,011,486</u>	<u>-</u>

12. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at December 31, 2017 and March 31, 2017, consist of:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
<u>Securities business payables</u>		
Cash accounts	<u>182,008</u>	<u>-</u>
Total securities business payables	<u>182,008</u>	<u>-</u>
<u>Derivatives business payables</u>		
Derivatives business payables	<u>-</u>	<u>-</u>
Total securities and derivatives business payables	<u>182,008</u>	<u>-</u>

13. PROVISIONS

Provisions as at December 31, 2017 and March 31, 2017, consist of:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Provision for restoring costs of leasehold office improvements	1,163,016	-
Employee benefit obligations	2,702,128	561,351
Total provisions	<u>3,865,144</u>	<u>561,351</u>

13.1 Provision for restoring costs of leasehold office improvements

Provision for restoring costs of leasehold office improvements for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, are as follows:

	For the periods from April 1, 2017 to December 31, 2017	(Unit: Baht) November 28, 2016 (date of incorporation) to March 31, 2017
Beginning balance	-	-
Increase during the period	1,163,016	-
Ending balance	<u>1,163,016</u>	<u>-</u>

13.2 Employee benefit obligations

The Company pay retirement benefits in accordance with the regulation of Labor Protection Act B.E. 2541 for the retirement benefits entitled to the employees based on their right and length of services.

Employee benefit obligations as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Employment benefit obligations	2,702,128	561,351
Total employee benefit obligations	<u>2,702,128</u>	<u>561,351</u>

Movement in the present value of the employment benefit obligations are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Beginning balance of employment benefit obligations	561,351	-
Current service cost	1,963,194	561,351
Interest cost	14,241	-
Remeasurements:		
Loss from change in demographic assumptions	37,402	-
Loss from change in financial assumptions	129,464	-
Experiences gain	(3,524)	-
Ending balance of employment benefit obligations	<u>2,702,128</u>	<u>561,351</u>

Expenses recognized in the statement of comprehensive income for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, are as follows:

	(Unit: Baht)	
	For the periods from April 1, 2017 to December 31, 2017	November 28, 2016 (date of incorporation) to March 31, 2017
Current service cost	1,963,194	561,351
Interest cost	14,241	-
Remeasurement:		
Loss from change om demographic assumptions	37,402	-
Loss from change om financial assumptions	129,464	-
Experiences gain	<u>(3,524)</u>	<u>-</u>
Components of employee benefit costs recognized in the statement of comprehensive income	<u>2,140,777</u>	<u>561,351</u>

The principal actuarial assumptions as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017 Percentage (p.a.)	As at March 31, 2017 Percentage (p.a.)
Discount rate	3.0373	3.3821
Salary increase rate	10	10
Employee turnover	0 - 15 (depend on ages)	0 - 15 (depend on ages)
Mortality rate	TMO 2017 (mortality table 2017)	TMO 2008 (mortality table 2008)
Improvement mortality rate	3	3

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

(Unit: Baht)			
Impact on employee benefit obligations As at December 31, 2017			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(342,068)	418,327
Salary increase rate	1%	385,434	(324,924)
Employee turnover rate	20%	(292,843)	370,857
Improving mortality rate	1%	11,345	(12,974)

Impact on employee benefit obligations As at March 31, 2017			
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(67,991)	82,096
Salary increase rate	1%	75,940	(64,783)
Employee turnover rate	20%	(54,093)	67,425
Improving mortality rate	1%	4,211	(4,863)

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

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

14. OTHER LIABILITIES

Other liabilities as at December 31, 2017 and March 31, 2017, are as follows:

	As at December 31, 2017	(Unit: Baht) As at March 31, 2017
Liabilities under finance lease agreements	6,654,625	-
Cheque in transit	-	427,329
Accrued expense	13,574,239	555,005
Payable on purchases of leasehold improvement and equipment	587,508	606,904
Payable on purchases of intangible assets	6,113,980	3,056,990
Other payables	1,335,106	5,168,001
Withholding tax payables	585,198	461,503
Total other liabilities	<u>28,850,656</u>	<u>10,275,732</u>

Liabilities under finance lease agreements

Liabilities under finance lease agreements as at December 31, 2017 and March 31, 2017, consist of:

	(Unit: Baht)			
	Minimum lease Payments		Present value of minimum lease payments	
	As at December 31, 2017	As at March 31, 2017	As at December 31, 2017	As at March 31, 2017
Liabilities under finance lease agreements	7,300,714	-	6,654,625	-
<u>Less</u> Deferred interest expenses	<u>(646,089)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities under finance lease agreements	<u>6,654,625</u>	<u>-</u>	<u>6,654,625</u>	<u>-</u>

15. SHARE CAPITAL

On November 28, 2016, the preliminary Shareholders' meeting passed the resolution to incorporate the Company with its initial share capital of Baht 100,000,000 consisting of 10,000,000 ordinary shares of Baht 10 each, and called share subscription of Baht 10 per share, totaling Baht 100 million which already received the subscription and registered the incorporation with Ministry of Commerce on November 28, 2016.

On February 1, 2017, the Extraordinary General Meeting of shareholder No. 1/2017 passed a resolution to increase the Company's authorized share capital from Baht 100,000,000 to Baht 1,000,000,000, the issue of 90,000,000 additional ordinary shares at par value of Baht 10 each, totaling Baht 900,000,000. The Company fully received share subscription on February 3, 2017 and registered the capital increase with the Department of Business Development, Ministry of commerce on February 6, 2017.

The weighted average number of ordinary shares for calculation of basic loss per share is as follows:

	(Unit: Baht)	
	For the periods from April 1, 2017 to December 31, 2017	November 28, 2016 (date of incorporation) to March 31, 2017
Number of ordinary shares outstanding as at beginning (shares)	100,000,000	10,000,000
Weighted average number of increased shares during the periods (shares)	<u>-</u>	<u>41,370,968</u>
Weighted average number of ordinary shares for the periods (shares)	<u>100,000,000</u>	<u>51,370,968</u>
Net loss for the periods (Baht)	(105,928,605)	(26,874,515)
Loss per share (Baht/share)	(1.06)	(0.52)

16. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to maintain the Company's ability to continue as a going concern and to maintain net liquid capital rule in accordance with Notifications of the SEC.

17. DIRECTORS AND KEY MANAGEMENTS' REMUNERATION

17.1 The Company paid directors' remuneration for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, amounting to Baht 150,000 and Baht 30,000, respectively. The remuneration does not include salaries, bonus and other benefits to its directors who hold executive position.

17.2 Compensation or remuneration payable to key managements of the Company, which is presented as part of "Employee benefits expenses" for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, are as follows:

	(Unit: Baht)	
	For the periods from	
	April 1, 2017	November 28, 2016
	to December 31,	(date of incorporation)
	2017	to March 31, 2017
Short-term benefits	17,600,000	5,799,917
Post-employment benefits	2,000,289	476,475
Total	<u>19,600,289</u>	<u>6,276,392</u>

18. OTHER EXPENSES

Other expenses for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, consist of:

	(Unit: Baht)	
	For the periods from	
	April 1, 2017	November 28, 2016
	to December 31,	(date of incorporation)
	2017	to March 31, 2017
Premises and equipment expenses	16,214,277	1,931,726
Consultancy and services expenses	28,228,601	14,617,246
Advertising	9,315,840	237,601
Others	7,690,080	2,222,251
Total other expenses	<u>61,448,798</u>	<u>19,008,824</u>

19. INCOME TAX

According to the Royal Decree No. 42 B.E. 2559 issued under the Revenue Code regarding the corporate income tax rate reduction effective on March 5, 2016, the corporate income tax rate is 20% of net profit for an accounting period beginning on or after January 1, 2016 onwards.

For the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, the Company reported tax losses therefore there were no income tax expenses. However, as at December 31, and March 31, 2017, the Company has no deferred tax assets because there is uncertainty about future taxable profit to be utilized. As at December 31, and March 31, 2017, the Company has unused tax losses amounting to Baht 132.80 million and Baht 26.87 million, respectively.

20. RELATED PARTY TRANSACTIONS

The relationships with related parties are as follows:

The Company's name	Type of business	Type of relationship
GMO Financial Holdings, Inc.	Management of group companies and subsidiaries and other related operations	Parent company
GMO Internet, Inc.	Service of internet infrastructure, online advertising and media and online stock trading in Japan	Ultimate parent company
GMO-Z com NetDesign Holdings Co., Ltd.	Holding company in limited partnership, company limited and public limited company	Related party
NetDesign Host Co., Ltd.	Wired and wireless Internet access	Related party
GMO-Z com (Thailand) Co., Ltd.	Service of web server, mail server, cloud hosting, computer security systems and real estate services	Related party

Business transactions with related parties arose in the ordinary course of businesses and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Significant revenues and expenses derived from transactions with related parties for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017, are as follows:

		(Unit: Baht)	
	Type of relationship	For the periods from April 1, 2017 to December 31, 2017	November 28, 2016 (date of incorporation) to March 31, 2017
Management fee			
GMO Financial Holdings, Inc.	Parent company	381,906	-
Other expenses			
GMO Financial Holdings, Inc.	Parent company	-	100,847
GMO Internet, Inc.	Ultimate parent company	3,153	-
GMO-Z com NetDesign Holdings Co., Ltd.	Related party	-	420,483
GMO-Z com (Thailand) Co., Ltd.	Related party	19,800	-
NetDesign Host Co., Ltd.	Related party	2,250,787	-
		<u>2,273,740</u>	<u>521,330</u>

Significant outstanding balance with its related party as at December 31, 2017 and March 31, 2017, are as follows:

			(Unit: Baht)
	Type of relationship	As at December 31, 2017	As at March 31, 2017
Other receivable			
GMO Financial Holdings, Inc.	Parent company	109,400	54,400
		<u>109,400</u>	<u>54,400</u>
Other payable			
NetDesign Host Co., Ltd.	Related party	430,000	-
		<u>430,000</u>	<u>-</u>

21. COMMITMENTS

21.1 As at December 31, 2017 and March 31, 2017, the Company has the following outstanding rental and service commitments under the lease and service agreements for its office building, office computers and vehicles which the Company is to pay rental and service fees in the future as follows:

	(Unit: Baht)	
	As at December 31, 2017	As at March 31, 2017
To be paid within 1 year	6,849,600	7,029,600
To be paid more than 1 year but not over 5 years	7,996,133	13,439,400
Total	<u>14,845,733</u>	<u>20,469,000</u>

The Company's operating lease agreements recorded as expense in the statement of comprehensive income for the periods from April 1, 2017 to December 31, 2017 and November 28, 2016 (date of incorporation) to March 31, 2017 are Baht 6.68 million and Baht 0.91 million, respectively.

21.2 As at December 31, 2017 and March 31, 2017, the Company has commitment under agreements for IT system Consulting and Development of Baht 5.71 million and Baht 57.14 million, respectively.

21.3 As at December 31, 2017, the Company has the credit line for bank overdraft of Baht 40 million, carrying interest rate of MOR and being collateralized by fixed deposit (March 31, 2017 : Nil).

22. FINANCIAL INSTRUMENTS

As at December 31, 2017 and March 31, 2017, the Company did not have policy to speculate or trade in any derivatives financial instruments.

22.1 Credit risk

Credit risk is the risk that a counterparty will fail to fulfil an obligation under a financial instrument causing the Company to incur a financial loss. The financial assets of the Company are not subject to significant concentration of credit risk. The maximum credit risk exposure is the carrying amount of the financial assets, less provision for losses, as stated in the statement of financial position.

22.2 Interest rate risk

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

(Unit: Thousand Baht)

	As at December 31, 2017							
	Outstanding balances of financial instruments							
	Repricing or maturity dates							
	Floating interest rate	At call	Within 1 year	1 - 5 years	Over 5 years	No interest	Total	Interest rate (%) Floating rate Fixed rate
Financial assets								
Cash and cash equivalents	187,469	-	226,130	-	-	13,441	427,040	0.10 - 1.95 -
Securities and derivatives business receivables	-	-	-	-	-	12,434	12,434	- -
Investments	-	-	294,421	-	-	-	294,421	- 0.50 - 2.50
Loans to employee	-	-	115	48	-	-	163	- 4
Financial liabilities								
Payables to Clearing House and broker - dealers	-	-	-	-	-	9,011	9,011	- -
Securities and derivatives business payables	-	-	-	-	-	182	182	- -

(Unit: Thousand Baht)

As at March 31, 2017									
Outstanding balances of financial instruments									
Repricing or maturity dates									
	Floating interest rate	At call	Within 1 year	1 - 5 years	Over 5 years	No interest	Total	Interest rate (%)	
								Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	141,748	-	-	-	-	338	142,086	0.10 - 1.40	-
Investments	-	-	787,820	25,000	-	-	812,820	-	0.50 - 2.75

22.3 Liquidity risk

The periods of time from the statement of financial position date to the maturity dates of financial instruments as of December 31, 2017 and March 31, 2017, are as follows:

(Unit: Thousand Baht)

As at December 31, 2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	200,910	226,130	-	-	-	427,040
Securities and derivatives business receivables	-	12,434	-	-	-	12,434
Investments	-	294,421	-	-	-	294,421
Loans to employee	-	115	48	-	-	163
Financial liabilities						
Payables to Clearing House and broker - dealers	-	9,011	-	-	-	9,011
Securities and derivatives business payables	-	182	-	-	-	182

(Unit: Thousand Baht)

As at March 31, 2017						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	142,086	-	-	-	-	142,086
Investments	-	787,820	25,000	-	-	812,820

22.4 Foreign exchange risk

As at December 31, 2017 and March 31, 2017, the Company does not have any material financial instruments in foreign currency.

22.5 Fair value

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

Financial instruments not measured at fair value

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

	As at December 31, 2017		(Unit : Baht)
	Book Value	Fair Value	Fair value hierarchy
Financial assets			
Cash and cash equivalents	427,040,658	427,040,658	3
Securities and derivatives business receivables	12,434,436	12,434,436	3
Investments	294,421,347	294,421,347	3
Loans to employee	163,735	163,735	3

Financial liabilities			
Payables to Clearing House and broker - dealers	9,011,486	9,011,486	3
Securities and derivatives business payables	182,008	182,008	3

	As at March 31, 2017		(Unit : Baht)
	Book Value	Fair Value	Fair value hierarchy
Financial assets			
Cash and cash equivalents	142,085,792	142,085,792	3
Investments	812,820,000	812,820,000	3

The approximate fair values of most financial assets and financial liabilities are based on the amounts recognized in the statement of financial position as they are short-term and non-interest sensitive. For deposits at financial institutions, a fair value is equal to the carrying amount as they are short-term maturity.

As at December 31, 2017 and March 31, 2017, the fair values of financial assets and liabilities are not significantly different from carrying amounts.

23. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by Board of Directors of the Company on March 7, 2018.