

GMO-Z COM SECURITIES (THAILAND) LIMITED

Financial Statements

Six-month period ended June 30, 2021



บริษัท ดีลอยท์ ทูเช โทมatsu ไทยแลนด์
สอบบัญชี จำกัด
อาคาร เอไอเอ สาทร์ ทาวเวอร์ ชั้น 23-27
11/1 ถนนสาทรใต้
แขวงยานนาวา เขตสาทร
กรุงเทพฯ 10120
โทร +66 (0) 2034 0000
แฟกซ์ +66 (0) 2034 0100

Deloitte Touche Tohmatsu Jaiyos
Audit Co., Ltd.
AIA Sathorn Tower, 23rd- 27th Floor
11/1 South Sathorn Road
Yannawa, Sathorn
Bangkok 10120, Thailand
Tel: +66 (0) 2034 0000
Fax: +66 (0) 2034 0100
www.deloitte.com

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT ON AUDIT OF INTERIM FINANCIAL STATEMENTS

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 June 30, 2021, and the related statements of comprehensive income, changes in owners’ equity and cash flows for the six-month period then ended, 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 June 30, 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the 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 the 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 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 TFRSs, 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's or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the statement of comprehensive income of GMO-Z com Securities (Thailand) Limited for the three-month period ended June 30, 2021 and the notes to the financial statements ("interim financial information"). The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Wilasinee Krishnamra

Wilasinee Krishnamra
Certified Public Accountant (Thailand)
Registration No. 7098

BANGKOK
August 19, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

UNIT : BAHT

	Notes	As at June 30, 2021	As at December 31, 2020
ASSETS			
ASSETS			
Cash and cash equivalents	5.1	924,751,303	158,163,350
Receivables from Clearing House and broker - dealers	6	-	142,336,318
Securities and derivatives business receivables	7	10,060,819,999	7,420,504,855
Non-collateralized investments	8.1	606,162	631,989
Collateralized investments	8.1	40,037,719	39,919,060
Loans to employees	10	556,249	867,741
Leasehold office improvement and equipment	11	8,901,389	11,373,077
Right-of-use assets	12	12,913,860	15,557,146
Intangible assets	13	179,065,165	198,856,889
Deferred tax assets	14	50,750,683	28,930,171
Other assets	15	29,519,425	28,503,199
TOTAL ASSETS		11,307,921,954	8,045,643,795

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 JUNE 30, 2021

UNIT : BAHT

	Notes	As at June 30, 2021	As at December 31, 2020
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Borrowings from financial institutions	16	7,910,000,000	6,040,000,000
Payables to Clearing House and broker - dealers	17	207,898,533	-
Securities and derivatives business payables	18	241,237,769	223,227,615
Lease liabilities	19	12,314,826	15,863,371
Provisions	20	10,218,062	8,815,827
Other liabilities	21	35,146,355	21,017,885
TOTAL LIABILITIES		8,416,815,545	6,308,924,698
OWNERS' EQUITY			
SHARE CAPITAL			
Authorized share capital	22		
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	
200,000,000 ordinary shares of Baht 10 each			2,000,000,000
Issued and paid-up share capital			
300,000,000 ordinary shares of Baht 10 each, fully paid		3,000,000,000	
200,000,000 ordinary shares of Baht 10 each, fully paid			2,000,000,000
ACCUMULATED DEFICITS			
Unappropriated (deficits)		(108,893,591)	(263,280,903)
TOTAL OWNERS' EQUITY		2,891,106,409	1,736,719,097
TOTAL LIABILITIES AND OWNERS' EQUITY		11,307,921,954	8,045,643,795

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 THREE-MONTH PERIOD ENDED JUNE 30, 2021
“UNAUDITED”

UNIT : BAHT

	Notes	2021	2020
REVENUES			
Brokerage fees		17,704,878	9,556,977
Interest income	24	149,207,408	80,588,237
Other income		1,129,465	404,139
Total Revenues		<u>168,041,751</u>	<u>90,549,353</u>
EXPENSES			
Employee benefits expenses		20,375,048	19,015,785
Fees and service expenses		7,375,204	6,247,570
Interest expenses		39,519,645	25,492,895
Reversal of expected credit loss	26	(5,144,256)	(7,662,704)
Net foreign exchange loss		250,047	9,464,034
Other expenses	27	30,450,467	25,479,230
Total Expenses		<u>92,826,155</u>	<u>78,036,810</u>
PROFIT BEFORE INCOME TAX		75,215,596	12,512,543
INCOME TAX INCOME	14	(21,820,512)	-
PROFIT FOR THE PERIOD		<u>97,036,108</u>	<u>12,512,543</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>97,036,108</u></u>	<u><u>12,512,543</u></u>
BASIC EARNINGS PER SHARE			
	28	BAHT	0.37
			0.06
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	28	SHARES	260,989,011
			200,000,000

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 SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	Notes	2021	2020
REVENUES			
Brokerage fees		34,994,285	20,172,990
Interest income	24	276,089,022	172,654,126
Other income		1,701,519	854,120
Total Revenues		<u>312,784,826</u>	<u>193,681,236</u>
EXPENSES			
Employee benefits expenses		39,593,034	37,770,449
Fees and service expenses		14,207,472	12,660,316
Interest expenses		72,809,509	53,899,892
Expected credit loss (reversal)	26	(5,803,307)	11,731,677
Net foreign exchange loss		271,288	59,892,947
Other expenses	27	59,140,030	51,057,549
Total Expenses		<u>180,218,026</u>	<u>227,012,830</u>
PROFIT (LOSS) BEFORE INCOME TAX		132,566,800	(33,331,594)
INCOME TAX INCOME	14	(21,820,512)	-
PROFIT (LOSS) FOR THE PERIOD		<u>154,387,312</u>	<u>(33,331,594)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME (EXPENSE)			
FOR THE PERIOD		<u><u>154,387,312</u></u>	<u><u>(33,331,594)</u></u>
BASIC EARNINGS (LOSS) PER SHARE	28	BAHT	0.63
			(0.17)
WEIGHTED AVERAGE NUMBER OF			
ORDINARY SHARES	28	SHARES	246,685,083
			200,000,000

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 SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	Note	Issued and Paid-up Share Capital	Accumulated Deficits Unappropriated (Deficits)	Total Owners' Equity
Beginning balance as at January 1, 2020		2,000,000,000	(308,597,908)	1,691,402,092
Total comprehensive expense for the period		-	(33,331,594)	(33,331,594)
Ending balance as at June 30, 2020		<u>2,000,000,000</u>	<u>(341,929,502)</u>	<u>1,658,070,498</u>
Beginning balance as at January 1, 2021		2,000,000,000	(263,280,903)	1,736,719,097
Increase in ordinary shares	22	1,000,000,000	-	1,000,000,000
Total comprehensive income for the period		-	154,387,312	154,387,312
Ending balance as at June 30, 2021		<u>3,000,000,000</u>	<u>(108,893,591)</u>	<u>2,891,106,409</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 SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	132,566,800	(33,331,594)
Adjustments to reconcile gain (loss) before income tax to cash received (paid) from operating activities:		
Depreciation and amortization expense	26,589,260	25,594,851
Expected credit loss (reversal)	(5,803,307)	11,731,677
Amortization of interest expense	18,494	18,164
Interest expenses	72,809,509	53,899,892
Interest income	(276,089,022)	(172,654,126)
Employee benefits expenses	1,383,741	1,070,034
Loss from operating activities before changes in operating assets and liabilities	(48,524,525)	(113,671,102)
(Increase) decrease in operating assets		
Receivables from Clearing House and broker - dealers	142,336,318	22,977,374
Securities and derivatives business receivables	(2,622,529,966)	116,756,980
Non-collateralized investments at amortized cost	-	(209,764,950)
Other assets	(2,368,406)	(4,780,597)
Increase (decrease) in operating liabilities		
Payables to Clearing House and broker - dealers	207,898,533	43,157,679
Securities and derivatives business payables	18,010,154	17,240,951
Other liabilities	11,158,329	8,510,365
Cash paid from operating activities	(2,294,019,563)	(119,573,300)
Cash paid for right-of-use assets	(1,128,426)	-
Cash received from interest income	265,567,182	175,268,575
Cash received from refundable value-added tax	-	3,092,442
Cash paid for interest expenses	(61,972,055)	(54,863,940)
Cash received from withholding tax	12,331	-
Cash paid for withholding tax	(7,419,229)	(6,553,271)
Net cash used in operating activities	(2,098,959,760)	(2,629,494)

GMO-Z COM SECURITIES (THAILAND) LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

UNIT : BAHT

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from loans to employees		311,492	291,445
Cash paid for loans to employees		-	(815,000)
Cash paid for purchases of leasehold improvement and equipment	5.2.1	(554,136)	(1,631,258)
Net cash used in investing activities		(242,644)	(2,154,813)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from borrowings from financial institutions	5.2.2	20,220,000,000	21,700,000,000
Cash paid for borrowings from financial institutions	5.2.2	(18,350,000,000)	(21,299,206,000)
Cash received for debt issued	5.2.2	-	20,000,000
Cash paid from debt issued	5.2.2	-	(20,000,000)
Cash paid for lease liabilities	5.2.2	(3,996,630)	(2,795,984)
Cash received from share subscription from increase in ordinary shares		1,000,000,000	-
Net cash provided by financing activities		2,866,003,370	397,998,016
Net increase in cash and cash equivalents		766,800,966	393,213,709
Cash and cash equivalents at beginning of period		158,237,214	187,443,816
Cash and cash equivalents at ending of period	5.1	925,038,180	580,657,525

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 THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021

1. BUSINESS OPERATIONS AND GENERAL 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 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 June 22, 2017, the Company obtained securities business license type A (Full-service License) and derivatives business license type Sor-1 (Full-service License) to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Securities Underwriting
4. Investment Advisory Service
5. Mutual Fund Management
6. Private Fund Management
7. Securities Borrowing and Lending
8. Venture Capital Management
9. Derivatives Agent

As at June 30, 2021 and December 31, 2020, the Company has operated the business activity in No.1.

Coronavirus Disease 2019 Pandemic

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. Nevertheless, the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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”).

- 2.2 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard ("TAS") No. 1 "Presentation of Financial Statements", and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission No. SorTor. 6/2562, dated January 8, 2019, regarding "The Form of Financial Statements for Securities Companies (No. 3)".
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Company's interim financial statements.

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

The Amendment to Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from the Phase 2 of the interest rate benchmark reform amendments, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 4 "Insurance Contracts", Thai Financial Reporting Standards No. 7 "Financial Instruments: Disclosures", and Thai Financial Reporting Standards No. 9 "Financial Instruments", which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

The Company's management will adopt such TFRSs in the preparation of the Company's financial statements when they become 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 initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are as follows:

3.1 Cash and cash equivalents

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

3.2 Receivables from Clearing House and broker - dealers / Payables to Clearing House and broker - dealers

Receivables from Clearing House and broker - dealers / Payables to Clearing House and broker - dealers comprise the net balances of receivable or payable to Thailand Clearing House ("TCH") for settlement of equity securities trading made through the Stock Exchange of Thailand, net receivable or payable to TCH for derivatives trades, and net receivable or payable to foreign securities trade settlement through foreign brokers.

3.3 Securities and derivatives business receivables

Securities and derivatives business receivables comprise the net balance receivable of securities and derivatives trading after less allowance for expected credit loss 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.

Impairment of financial assets have disclosed in Note 3.17.

3.4 Investments

Investments consist of non-collateralized investments and collateralized investments, which have disclosed in financial assets in Note 3.17.

3.5 Leasehold office improvement and equipment and depreciation

Leasehold office 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 office 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.

3.6 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 lives as follows:

Computer software	3 - 10 years
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Intangible assets with indefinite useful lives 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).

3.7 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 Debt issued

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

3.9 Provision

Provision is recognized when the Company has 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.

3.10 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.

3.11 Employee benefits

Provident fund

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.

Short-term employee benefits

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

Post-employment benefits

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 based on actuarial assumptions as at the statement of financial position date, using various factors including assessment of the average age and employment life of its employees, employee turnover and assumption of future salary increases. The employee benefits obligation is discounted to the present value as at the statement of financial position date and under the assumption that the employees of various ages will work with the Company until retirement age.

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

Past service cost related to the plan amendment is recognized as an expense in the statements of comprehensive income when the plan amendment is effective.

3.12 Revenue and expenses recognition

a) Brokerage fees

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

b) Fees and services income

Revenue from underwriting service is recognized at a point in time when the relevant underwriting is completed.

c) Interest income

The Company recognized interest income using the effective interest rate method.

The Company calculates interest income by applying the effective interest rate to the gross book value of financial assets which are not impaired.

d) Other incomes

Other incomes are recognized on an accrual basis.

e) Expenses

Expenses are recognized on an accrual basis.

3.13 Lease agreements

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets and small items. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Leasehold office improvement and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

3.14 Income tax expense

Income tax expense for the period comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of comprehensive income except to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the financial statements.

3.15 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.

3.16 Foreign currency

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 recognized as profit or loss in the statement of comprehensive income.

3.17 Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI");

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Company may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Company may irrevocable designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(1) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the "Interest income" line item.

(2) Equity instruments designated as at FVTOCI

On initial recognition, the Company make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Gains (losses) and return on financial instruments" line item in profit or loss.

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically;

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, securities and derivatives business receivables. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for securities and derivatives business receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(1) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective date is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

3.18 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.

3.19 Use of management's critical judgments and key sources of estimation uncertainty

3.19.1 Use of management's judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

(1) Deferred tax assets

The Company recognizes deferred tax assets 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 utilized. The Company's management uses judgements based upon the likely timing and level of estimate future taxable profits to determine the amount of deferred tax assets that can be recognized.

Recognition of deferred tax assets associated with tax losses carried forward

A deferred tax asset is recognized to the extent that it is probable that it will be utilized in the future and the Company has assessed it to be probable that the Company will generate taxable income sufficient to fully utilize the tax losses that exist.

(2) Allowances for expected credit losses of financial assets

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the development of a model, the risk that collateral value cannot be realized, collective and individual analyses of the status of receivables, the probability of debt collection and the selection of the forecasted macroeconomic data inputs used in the model. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

3.19.2 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. RELATED PARTY TRANSACTIONS

Related person or parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related person or parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or parties relationship, attention is directed to the substance of the relationship, not merely the legal form.

The relationships with related parties are as follows:

The Company's name	Type of business	Type of relationship
GMO Internet, Inc.	Service of internet infrastructure, online advertising and media and online stock trading in Japan	Ultimate parent company
GMO Financial Holdings, Inc.	Management of group companies and subsidiaries and other related operations	Parent company
NetDesign Host Co., Ltd.	Wired and wireless Internet access	Related party
GMO-Z.com Pte. Ltd.	Service of domain, web hosting, cloud hosting, WordPress, SSL	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 three-month periods ended June 30, 2021 and 2020, consisted of the following:

	"Unaudited"		Pricing policy
	2021	2020	
Interest expense			
GMO Financial Holdings, Inc.	6,128,027	5,061,849	Contractually agreed price
Management fee			
GMO Financial Holdings, Inc.	156,350	199,781	Contractually agreed price
Other expenses			
GMO Financial Holdings, Inc.	3,256,267	1,743,752	Agreed-upon prices
NetDesign Host Co., Ltd.	1,148,602	1,176,147	Agreed-upon prices

(Unit : Baht)

Significant revenues and expenses derived from transactions with related parties for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	2021	2020	(Unit : Baht) Pricing policy
Interest expense			
GMO Financial Holdings, Inc.	11,440,904	11,938,543	Contractually agreed price
Management fee			
GMO Financial Holdings, Inc.	312,194	424,365	Contractually agreed price
Other expenses			
GMO Financial Holdings, Inc.	5,388,678	2,944,967	Agreed-upon prices
NetDesign Host Co., Ltd.	2,324,103	2,337,190	Agreed-upon prices

Significant outstanding balance with its related parties as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Other receivable		
GMO Financial Holdings, Inc.	488,000	555,723
Prepaid expenses		
GMO Financial Holdings, Inc.	951,534	580,658
Accrued expenses		
GMO Financial Holdings, Inc.	3,813,534	2,321,591
NetDesign Host Co., Ltd.	395,900	391,900
	<u>4,209,434</u>	<u>2,713,491</u>
Other payable		
GMO Financial Holdings, Inc.	180,600	180,100

Significant agreement with a related company

As at as at June 30, 2021 and December 31, 2020, the Company and the parent company have the warranty consignment agreements. The guarantee obligation to be borne by the Company as guarantee of joint liability of the parent company. The Company must enact agreements conditions and paid fees according to the contract. The term of warranty consignment is same as the term of contract with the relevant bank.

5. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

5.1 Cash and cash equivalents as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Cash on hand	30,000	30,000
Deposit at bank - savings accounts	770,162,725	200,051,303
Deposit at bank - current accounts	420,590	1,790,140
Deposit at bank - fixed accounts (within 3 months)	390,000,000	130,002,000
<u>Less</u> Deposits in customers' accounts*	<u>(235,575,135)</u>	<u>(173,636,229)</u>
	925,038,180	158,237,214
<u>Less</u> Allowance for expected credit loss	<u>(286,877)</u>	<u>(73,864)</u>
Total cash and cash equivalents	<u>924,751,303</u>	<u>158,163,350</u>

* Deposits held for customers are not required to present as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

5.2 Non-cash items for the six-month periods ended June 30, 2021 and 2020 are as follows:

5.2.1 Payables from purchases of leasehold office improvement and equipment (recognized as a part of other liabilities), consisted of the following:

	2021	(Unit : Baht) 2020
Payables from purchases of leasehold office improvement and equipment brought forward	-	-
<u>Add</u> Purchases during the period	<u>554,136</u>	<u>1,631,258</u>
<u>Less</u> Cash payments during the period	<u>(554,136)</u>	<u>(1,631,258)</u>
Payables from purchases of leasehold office improvement and equipment carried forward	<u>-</u>	<u>-</u>

5.2.2 Change in liabilities from financing activities for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

			(Unit : Baht)
	Borrowings from financial institutions	2021 Lease liabilities	Total
As at January 1, 2021	6,040,000,000	15,863,371	6,055,863,371
Cash flows items:			
Additions	20,220,000,000	-	20,220,000,000
Repayments	(18,350,000,000)	(3,996,630)	(18,353,996,630)
Total Cash flows items	<u>7,910,000,000</u>	<u>11,866,741</u>	<u>7,921,866,741</u>
Non-cash items:			
Amortization as expense	-	448,085	448,085
Total non-cash items	<u>-</u>	<u>448,085</u>	<u>448,085</u>
As at June 30, 2021	<u>7,910,000,000</u>	<u>12,314,826</u>	<u>7,922,314,826</u>

				(Unit : Baht)
	Borrowings from financial institutions	Debt issued	2020 Lease liabilities	Total
As at January 1, 2020	3,989,206,000	20,000,000	21,912,542	4,031,118,542
Cash flows items:				
Additions	21,700,000,000	20,000,000	-	21,720,000,000
Repayments	(21,299,206,000)	(20,000,000)	(2,795,984)	(21,322,001,984)
Total Cash flows items	<u>4,390,000,000</u>	<u>20,000,000</u>	<u>19,116,558</u>	<u>4,429,116,558</u>
Non-cash items:				
Amortization as expense	-	-	437,106	437,106
Total non-cash items	<u>-</u>	<u>-</u>	<u>437,106</u>	<u>437,106</u>
As at June 30, 2020	<u>4,390,000,000</u>	<u>20,000,000</u>	<u>19,553,664</u>	<u>4,429,553,664</u>

6. RECEIVABLES FROM CLEARING HOUSE AND BROKER - DEALERS

Receivables from Clearing House and broker - dealers as at June 30, 2021 and December 31, 2020, consisted of the following:

		(Unit : Baht)
	As at June 30, 2021	As at December 31, 2020
Receivables from Clearing House	-	142,336,318
Total receivables from Clearing House and broker - dealers	<u>-</u>	<u>142,336,318</u>

7. SECURITIES AND DERIVATIVES BUSINESS RECEIVABLES

7.1 Securities and derivatives business receivables as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
<u>Securities business receivables</u>		
Cash accounts	215,043,535	201,908,824
Credit balance accounts	9,782,537,050	7,167,598,627
Other receivable		
- Installment receivables	43,253,672	48,796,840
Total securities business receivables	10,040,834,257	7,418,304,291
<u>Add</u> Accrued interest income and deferred interest income	47,400,991	35,539,301
<u>Less</u> Allowance for expected credit loss	(27,415,249)	(33,338,737)
Total securities and derivatives business receivables	10,060,819,999	7,420,504,855

7.2 As at June 30, 2021 and December 31, 2020, the Company classified securities business receivables including related accrued interest receivables and presented allowance for expected credit loss, consisted of the following:

	As at June 30, 2021	(Unit : Baht)
Securities business receivables and accrued interest receivables	Exposure at Default	Allowance for expected credit loss
Performing debts	10,088,235,248	9,873,191,713
Under-performing debts	-	27,415,249
Non-performing debts	-	-
Total	10,088,235,248	9,873,191,713

	As at December 31, 2020	(Unit : Baht)
Securities business receivables and accrued interest receivables	Exposure at Default	Allowance for expected credit loss
Performing debts	7,369,507,451	7,167,598,627
Under-performing debts	-	240,508
Non-performing debts	48,796,840	-
Total	7,418,304,291	48,796,840

8. INVESTMENTS

8.1 Investments as at June 30, 2021 and December 31, 2020, consisted of the following:

(Unit : Baht)

	As at June 30, 2021		
	Non-collateralized investments	Collateralized investments	Total
<u>Fair value</u>			
Investments, fair value through other comprehensive income			
Equity securities - common stocks	667,680	-	667,680
Total investments, fair value through other comprehensive income	667,680	-	667,680
<u>Amortization cost</u>			
Investments, amortized cost			
Fixed deposits	340,002,020	-	340,002,020
Deposits under commitment	-	40,100,000	40,100,000
<u>Less</u> Deposit in customers' account*	(340,002,020)	-	(340,002,020)
<u>Less</u> Allowance for expected credit loss	(61,518)	(62,281)	(123,799)
Total investments, amortized cost	(61,518)	40,037,719	39,976,201
Total investments	606,162	40,037,719	40,643,881

(Unit : Baht)

	As at December 31, 2020		
	Non-collateralized investments	Collateralized investments	Total
<u>Fair value</u>			
Investments, fair value through other comprehensive income			
Equity securities - common stocks	667,680	-	667,680
Total investments, fair value through other comprehensive income	667,680	-	667,680
<u>Amortization cost</u>			
Investments, amortized cost			
Fixed deposits	330,000,000	-	330,000,000
Deposits under commitment	-	40,100,000	40,100,000
<u>Less</u> Deposit in customers' account*	(330,000,000)	-	(330,000,000)
<u>Less</u> Allowance for expected credit loss	(35,691)	(180,940)	(216,631)
Total investments, amortized cost	(35,691)	39,919,060	39,883,369
Total investments	631,989	39,919,060	40,551,049

* Deposits held for customers are not required to present as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

8.2 Investments in deposits at financial institutions classified by remaining periods of contracts, consisted of the following:

	Within 1 year	As at June 30, 2021		(Unit : Baht)
		1 - 5 years	Over 5 years	Total
Investments in deposits at financial institutions				
Fixed deposits	340,002,020	-	-	340,002,020
Deposit under commitment	40,100,000	-	-	40,100,000
<u>Less</u> Deposit in customers' account*	<u>(340,002,020)</u>	<u>-</u>	<u>-</u>	<u>(340,002,020)</u>
Total investments in deposits at financial institutions	<u>40,100,000</u>	<u>-</u>	<u>-</u>	<u>40,100,000</u>

	Within 1 year	As at December 31, 2020		(Unit : Baht)
		1 - 5 years	Over 5 years	Total
Investments in deposits at financial institutions				
Fixed deposits	330,000,000	-	-	330,000,000
Deposits under commitment	40,100,000	-	-	40,100,000
<u>Less</u> Deposit in customers' account*	<u>(330,000,000)</u>	<u>-</u>	<u>-</u>	<u>(330,000,000)</u>
Total investments in deposits at financial institutions	<u>40,100,000</u>	<u>-</u>	<u>-</u>	<u>40,100,000</u>

* Deposits held for customers are not required to present as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Commission.

As at June 30, 2021 and December 31, 2020, fixed deposits carry interest at the rate of 0.38% to 1.35% per annum.

As at June 30, 2021 and December 31, 2020, deposits totalling Baht 40.10 million, which was pledged as a collateral and mortgage securities with local commercial banks (see Note 30).

8.3 Investment in equity instruments designated at FVTOCI as at June 30, 2021 and December 31, 2020, consisted of the following;

(Unit: Baht)					
Investments	Reason for use of alternative in presentation as mentioned	Fair value	As at June 30, 2021		Reason to transfer
			Dividend received for the six-month period ended June 30, 2021	Retained earning or retained losses transferred in owner's equity	
ASCO Business Promotion Company Limited	Intention to held in long-term period	667,680	-	-	-
Total		667,680	-	-	

(Unit: Baht)					
Investment	Reason for use of alternative in presentation as mentioned	Fair value	As at December 31, 2020		Reason to transfer
			Dividend received for the year ended December 31, 2020	Retained earning or retained losses transferred in owner's equity	
ASCO Business Promotion Company Limited	Intention to held in long-term period	667,680	-	-	-
Total		667,680	-	-	

9. ALLOWANCE FOR EXPECTED CREDIT LOSS

Allowance for expected credit loss as at June 30, 2021 and December 31, 2020, consisted of the following:

(Unit : Baht)				
	As at June 30, 2021			
	Allowance for performing	Allowance for under-performing	Allowance for non-performing	Total
<u>Cash and cash equivalent</u>				
Beginning balance	73,864	-	-	73,864
Change in ECL during the period	213,013	-	-	213,013
Ending balance	286,877	-	-	286,877
<u>Securities business receivables</u>				
Beginning balance	240,508	-	33,098,229	33,338,737
Change in ECL during the period	(215,283)	-	(5,708,205)	(5,923,488)
Change in stage during the period	27,390,024	-	(27,390,024)	-
Ending balance	27,415,249	-	-	27,415,249
<u>Investments</u>				
Beginning balance	216,631	-	-	216,631
Change in ECL during the period	(92,832)	-	-	(92,832)
Ending balance	123,799	-	-	123,799

(Unit : Baht)

	As at December 31, 2020			
	Allowance for performing	Allowance for under-performing	Allowance for non-performing	Total
<u>Cash and cash equivalent</u>				
Beginning balance	-	-	-	-
Change from the adoption of new accounting standards	476,299	-	-	476,299
Change in ECL during the year	(402,435)	-	-	(402,435)
Ending balance	73,864	-	-	73,864
<u>Securities business receivables</u>				
Beginning balance	-	-	-	-
Change from the adoption of new accounting standards	22,932,848	-	-	22,932,848
Change in ECL during the year	(22,692,340)	-	33,098,229	10,405,889
Ending balance	240,508	-	33,098,229	33,338,737
<u>Investments</u>				
Beginning balance	-	-	-	-
Change from the adoption of new accounting standards	106,269	-	-	106,269
Change in ECL during the year	110,362	-	-	110,362
Ending balance	216,631	-	-	216,631

10. LOANS TO EMPLOYEES

Loans to employees as at June 30, 2021 and December 31, 2020, consist of the following:

	(Unit : Baht)	
	As at June 30, 2021	As at December 31, 2020
Within 1 year	415,929	565,054
Over 1 year	140,320	302,687
Total loans to employees	<u>556,249</u>	<u>867,741</u>

11. LEASEHOLD OFFICE IMPROVEMENT AND EQUIPMENT

Leasehold office improvement and equipment as at June 30, 2021 and December 31, 2020, consisted of the following:

	For the six-month period ended June 30, 2021			(Unit : Baht)
	Balance as at January 1, 2021	Increase	Decrease	Balance as at June 30, 2021
Cost				
Leasehold office improvement	13,183,137	191,053	-	13,374,190
Office equipment	3,203,158	-	-	3,203,158
Furniture	3,930,401	5,735	-	3,936,136
Computer	8,746,434	357,348	-	9,103,782
Total cost	29,063,130	554,136	-	29,617,266
Accumulated depreciation				
Leasehold office improvement	(9,007,227)	(1,373,697)	-	(10,380,924)
Office equipment	(2,125,394)	(298,413)	-	(2,423,807)
Furniture	(2,819,465)	(389,873)	-	(3,209,338)
Computer	(3,737,967)	(963,841)	-	(4,701,808)
Total accumulated depreciation	(17,690,053)	(3,025,824)	-	(20,715,877)
Leasehold office improvement and equipment	11,373,077			8,901,389

	For the year ended December 31, 2020			(Unit : Baht)
	Balance as at January 1, 2020	Increase	Decrease	Balance as at December 31, 2020
Cost				
Leasehold office improvement	13,183,137	-	-	13,183,137
Office equipment	2,858,006	345,152	-	3,203,158
Furniture	3,930,401	-	-	3,930,401
Computer	3,262,347	5,484,087	-	8,746,434
Total cost	23,233,891	5,829,239	-	29,063,130
Accumulated depreciation				
Leasehold office improvement	(6,221,244)	(2,785,983)	-	(9,007,227)
Office equipment	(1,515,948)	(609,446)	-	(2,125,394)
Furniture	(2,033,649)	(785,816)	-	(2,819,465)
Computer	(2,005,325)	(1,732,642)	-	(3,737,967)
Total accumulated depreciation	(11,776,166)	(5,913,887)	-	(17,690,053)
Leasehold office improvement and equipment	11,457,725			11,373,077

Depreciation for the six-month periods ended June 30,	
2021	Baht 3,025,824
2020	Baht 2,731,257

As at June 30, 2021 and December 31, 2020, the Company had certain items of leasehold office improvement and equipment that were fully depreciated but are still in use. The gross carrying amounts before deducting accumulated depreciation of those assets amounting to Baht 2.78 million and Baht 1.67 million, respectively.

As at June 30, 2021 and December 31, 2020, the Company has initial estimated cost of dismantling and removing the asset and restoring the site of office as a part of leasehold office improvement amounting to Baht 2.00 million.

12. RIGHT-OF-USE ASSETS

Right-of-use asset as at June 30, 2021, consisted of the following:

	For the six-month period ended June 30, 2021			(Unit : Baht)
	Balance as at January 1, 2021	Increase	Decrease	Balance as at June 30, 2021
Cost				
Building	21,194,752	1,128,426	(491,266)	21,831,912
Vehicle	1,759,476	-	-	1,759,476
Total cost	<u>22,954,228</u>	<u>1,128,426</u>	<u>(491,266)</u>	<u>23,591,388</u>
Accumulated depreciation				
Building	(6,111,863)	(3,597,210)	491,266	(9,217,807)
Vehicle	(1,285,219)	(174,502)	-	(1,459,721)
Total accumulated depreciation	<u>(7,397,082)</u>	<u>(3,771,712)</u>	<u>491,266</u>	<u>(10,677,528)</u>
Right-of-use assets	<u>15,557,146</u>			<u>12,913,860</u>

	For the year ended December 31, 2020			(Unit : Baht)
	Balance as at January 1, 2020	Increase	Decrease	Balance as at December 31, 2020
Cost				
Building	21,194,752	-	-	21,194,752
Computer	5,712,411	-	(5,712,411)	-
Vehicle	2,392,148	-	(632,672)	1,759,476
Total cost	<u>29,299,311</u>	<u>-</u>	<u>(6,345,083)</u>	<u>22,954,228</u>
Accumulated depreciation				
Building	-	(6,111,863)	-	(6,111,863)
Computer	(5,070,115)	(641,049)	5,711,164	-
Vehicle	(1,275,808)	(446,303)	436,892	(1,285,219)
Total accumulated depreciation	<u>(6,345,923)</u>	<u>(7,199,215)</u>	<u>6,148,056</u>	<u>(7,397,082)</u>
Right-of-use assets	<u>22,953,388</u>			<u>15,557,146</u>

Depreciation for the six-month period ended June 30,		
2021	Baht	<u>3,771,712</u>
2020	Baht	<u>3,336,825</u>

13. INTANGIBLE ASSETS

Intangible assets as at June 30, 2021 and December 31, 2020, consisted of the following:

(Unit : Baht)						
For the six-month period ended June 30, 2021						
	Useful lives	Balance as at January 1, 2021	Increase	Decrease	Transfer in / (out)	Balance as at June 30, 2021
Cost						
Initial membership fee	Undefined	20,000,000	-	-	-	20,000,000
SET membership fee	Undefined	50,000,000	-	-	-	50,000,000
Computer software	3 - 10 years	200,054,256	-	-	-	200,054,256
Total cost		270,054,256	-	-	-	270,054,256
Accumulated amortization						
Computer software	3 - 10 years	(71,197,367)	(19,791,724)	-	-	(90,989,091)
Total accumulated amortization		(71,197,367)	(19,791,724)	-	-	(90,989,091)
Intangible assets		198,856,889				179,065,165
(Unit : Baht)						
For the year ended December 31, 2020						
	Useful lives	Balance as at January 1, 2020	Increase	Decrease	Transfer in / (out)	Balance as at December 31 2020
Cost						
Initial membership fee	Undefined	20,000,000	-	-	-	20,000,000
SET membership fee	Undefined	50,000,000	-	-	-	50,000,000
Computer software	3 - 10 years	196,950,015	3,104,241	-	-	200,054,256
Total cost		266,950,015	3,104,241	-	-	270,054,256
Accumulated amortization						
Computer software	3 - 10 years	(31,495,209)	(39,702,158)	-	-	(71,197,367)
Total accumulated amortization		(31,495,209)	(39,702,158)	-	-	(71,197,367)
Intangible assets		235,454,806				198,856,889
Amortization for the six-month periods ended June 30,						
2021					Baht	19,791,724
2020					Baht	19,526,769

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 June 30, 2021 and December 31, 2020 the Company had certain items of computer software that were fully amortized but are still in use. The gross carrying amounts before deducting accumulated amortization of those software amounting to Baht 1.51 million and Baht 0.73 million, respectively.

14. DEFERRED TAX ASSETS / INCOME TAX

14.1 The movements of deferred tax assets during the six-month period ended June 30, 2021 and the year ended December 31, 2020, consisted of the following:

	(Unit : Baht)		
	For the six-month period ended June 30, 2021		
	Balance As at January 1, 2021	Items as recognized into profit or loss	Items as recognized into other comprehensive income
	Balance As at June 30, 2021		
Provisions for restoring costs			
of leasehold office improvement	279,477	64,347	-
Allowance for expected credit loss	58,099	24,036	-
Employee benefit obligations	1,341,342	276,748	-
Unused tax losses	27,190,008	21,636,432	-
Difference from lease liabilities	61,245	(181,051)	-
Total deferred tax assets	<u>28,930,171</u>	<u>21,820,512</u>	<u>-</u>

	(Unit : Baht)		
	For the year ended December 31, 2020		
	Balance As at January 1, 2020	Items as recognized into profit or loss	Items as recognized into other comprehensive income
	Balance As at December 31, 2021		
Provisions for restoring costs			
of leasehold office improvement	149,878	129,599	-
Allowance for expected credit loss	116,513	(58,414)	-
Employee benefit obligations	1,076,417	428,013	(163,088)
Unused tax losses	3,041,093	24,148,915	-
Difference from lease liabilities	(468,374)	529,619	-
Total deferred tax assets	<u>3,915,527</u>	<u>25,177,732</u>	<u>(163,088)</u>

14.2 Income tax

Income tax for the three-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht)	
	“Unaudited”	
	2021	2020
Current income tax:		
Current income tax for the year	-	-
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	<u>(21,820,512)</u>	<u>-</u>
Income tax income presented in the statement of comprehensive income	<u>(21,820,512)</u>	<u>-</u>

Reconciliation of effective tax rate as follows:

	"Unaudited"			
	2021		2020	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Profit before income tax		<u>75,215,596</u>		<u>12,512,543</u>
Income tax at the applicable tax rate	20	15,043,119	20	2,502,508
Tax effect of increase in losses carry forward unrecognized deferred tax assets		-		(1,071,149)
Losses carry forward used in the year		(15,195,345)		-
Tax effect of income and expenses that are exempt from taxation and expense not deductible for tax purpose		(451,549)		(512,284)
Tax effect of losses carry forward recognized deferred tax assets		(21,636,432)		-
Temporary differences unrecognized deferred tax assets		<u>419,695</u>		<u>(919,075)</u>
Income tax income presented in the statement of comprehensive income	(29)	<u>(21,820,512)</u>	-	<u>-</u>

Income tax for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	2021	(Unit : Baht) 2020
Current income tax:		
Current income tax for the period	-	-
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	<u>(21,820,512)</u>	<u>-</u>
Income tax income presented in the statement of comprehensive income	<u>(21,820,512)</u>	<u>-</u>

Reconciliation of effective tax rate as follows:

	2021		2020	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Profit (loss) before income tax		<u>132,566,800</u>		<u>(33,331,594)</u>
Income tax at the applicable tax rate	20	26,513,360	20	(6,666,319)
Tax effect of increase in losses carry forward unrecognized deferred tax assets		-		4,141,262
Losses carry forward used in the year		(26,816,462)		-
Tax effect of income and expenses that are exempt from taxation and expense not deductible for tax purpose		(905,989)		(843,236)
Tax effect of losses carry forward recognized deferred tax assets		(21,636,432)		-
Temporary differences unrecognized deferred tax assets		<u>1,025,011</u>		<u>3,368,293</u>
Income tax income presented in the statement of comprehensive income	(16)	<u>(21,820,512)</u>	-	<u>-</u>

As at June 30, 2021 and December 31, 2020, the Company has unused tax losses carry forward against future taxable profit of Baht 119.57 million and Baht 253.75 million, respectively. The carryforward of unused tax losses will be expired in 2022 to 2025.

15. OTHER ASSETS

Other assets as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Other receivable - a related company (see Note 4)	488,000	555,723
Other receivable - other companies	69,157	69,782
Accrued interest receivable	1,553,602	2,893,451
Prepaid expense - a related company (see Note 4)	951,534	580,658
Prepaid expense - other companies	3,100,483	2,241,669
Clearing fund	19,895,610	18,752,964
Deposits	3,168,529	3,235,835
Others	292,510	173,117
Total other assets	<u>29,519,425</u>	<u>28,503,199</u>

16. BORROWINGS FROM FINANCIAL INSTITUTIONS

Borrowings from financial institutions as at June 30, 2021 and December 31, 2020, consisted of the following:

		As at June 30, 2021			(Unit : Baht)
	Interest rate (% p.a.)	Remaining periods to maturity Within 1 year	1 - 5 years	Over 5 years	Total
Borrowings from financial institutions					
Promissory notes	0.90 - 2.80	3,410,000,000	-	-	3,410,000,000
Bill of exchanges	1.70	<u>4,500,000,000</u>	<u>-</u>	<u>-</u>	<u>4,500,000,000</u>
Total borrowings from financial institutions		<u>7,910,000,000</u>	<u>-</u>	<u>-</u>	<u>7,910,000,000</u>

		As at December 31, 2020			(Unit : Baht)
	Interest rate (% p.a.)	Remaining periods to maturity Within 1 year	1 - 5 years	Over 5 years	Total
Borrowings from financial institutions					
Promissory notes	0.90 - 2.70	3,040,000,000	-	-	3,040,000,000
Bill of exchanges	1.70	<u>3,000,000,000</u>	<u>-</u>	<u>-</u>	<u>3,000,000,000</u>
Total borrowings from financial institutions		<u>6,040,000,000</u>	<u>-</u>	<u>-</u>	<u>6,040,000,000</u>

On November 12, 2018, the Company had entered into a promissory notes facility agreement with TSFC Securities Public Company Limited which has a credit line amounting to Baht 200.00 million. Subsequently, during the year 2019, the Company had entered into additional facility agreements amounting to Baht 350.00 million and on January 8, 2020 amounting to Baht 50.00 million. Total facility amount is Baht 600.00 million. The Company pledged the right to claim credit balance account of securities business receivables as a loan collateral. As at June 30, 2021 and December 31, 2020, the Company withdrawn promissory notes amounting to Baht 110.00 million.

As at December 31, 2020, the Company had credit facilities from commercial banks in Thailand which have credit facility of promissory notes amounting to Baht 2,930.00 million and facility of bills of exchange amounting to Baht 3,000.00 million. The parent company issued letter of credit for such credit facilities. As at December 31, 2020, the Company withdrawn promissory notes and bills of exchange amounting to Baht 2,930.00 million and Baht 3,000.00 million, respectively.

As at June 30, 2021, the Company had credit facilities from commercial banks in Thailand which have credit facility of promissory notes amounting to Baht 3,930.00 million and facility of bills of exchange amounting to Baht 4,500.00 million. The parent company issued letter of credit for such credit facilities. As at June 30, 2021, the Company withdrawn promissory notes and bills of exchange amounting to Baht 3,300.00 million and Baht 4,500.00 million, respectively.

17. PAYABLES TO CLEARING HOUSE AND BROKER - DEALERS

Payables to Clearing House and broker - dealers as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Payables to Clearing House	207,898,533	-
Total payables to Clearing House and broker - dealers	<u>207,898,533</u>	<u>-</u>

18. SECURITIES AND DERIVATIVES BUSINESS PAYABLES

Securities and derivatives business payables as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
<u>Securities business payables</u>		
Cash accounts	241,237,769	223,227,615
Total securities and derivatives business payables	<u>241,237,769</u>	<u>223,227,615</u>

19. LEASE LIABILITIES

Movements in lease liabilities for the six-month period ended June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Beginning balance of the period/year	15,863,371	21,912,542
Addition	-	-
Gain on lease contract termination	-	(217,015)
Interest expense	448,085	997,373
Lease obligation reduction/Repayment	(3,996,630)	(6,829,529)
Ending balance of the period/year	<u>12,314,826</u>	<u>15,863,371</u>

The undiscounted maturity analysis of lease liabilities as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Lease liabilities		
Less than one year	7,932,151	7,993,260
Between one year and five years	<u>5,056,000</u>	<u>8,991,521</u>
Total	<u>12,988,151</u>	<u>16,984,781</u>

Lease liabilities as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Lease liabilities	12,988,151	16,984,781
<u>Less</u> Deferred interest expenses	<u>(673,325)</u>	<u>(1,121,410)</u>
Total	<u>12,314,826</u>	<u>15,863,371</u>

20. PROVISIONS

Provisions as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Provision for restoring costs of leasehold office improvement	2,127,612	2,109,118
Employee benefit obligations	8,090,450	6,706,709
Total provisions	<u>10,218,062</u>	<u>8,815,827</u>

20.1 Provision for restoring costs of leasehold office improvement

Provision for restoring costs of leasehold office improvement as at June 30, 2021 and December 31, 2020, are as follows:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Beginning balance of the period/year	2,109,118	2,072,625
Increase during the period/year	18,494	36,493
Ending balance of the period/year	<u>2,127,612</u>	<u>2,109,118</u>

20.2 Employee benefit obligations

Movements in the present value of the employment benefit obligations as at June 30, 2021 and December 31, 2020, are as follows:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Beginning balance of the period/year	6,706,709	5,382,084
Current service cost	1,327,938	2,046,677
Interest cost	<u>55,803</u>	<u>93,390</u>
Components of employee benefit costs recognized in the statements of comprehensive income	1,383,741	2,140,067
Remeasurements:		
Gain from change in financial assumptions	-	(140,562)
Gain from change in experiences	<u>-</u>	<u>(674,880)</u>
Components of employee benefit costs recognized in other comprehensive income	-	(815,442)
Ending balance of the period/year	<u>8,090,450</u>	<u>6,706,709</u>

Employee benefit expenses recognized in profit or loss for the three-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht)	
	"Unaudited"	
	2021	2020
Current service cost	663,969	511,669
Interest cost	27,901	23,348
Total	691,870	535,017

Employee benefit expenses recognized in profit or loss for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht)	
	2021	
	2021	2020
Current service cost	1,327,938	1,023,339
Interest cost	55,803	46,695
Total	1,383,741	1,070,034

The principal actuarial assumptions as at June 30, 2021 and December 31, 2020 are as follows:

	As at June 30, 2021 (% p.a.)	As at December 31, 2020 (% p.a.)
Discount rate	0.53 - 2.87	0.53 - 2.87
Salary increase rate	5	5
Employee turnover	0 - 25 (depend on employee's ages)	0 - 25 (depend on employee's ages)
Mortality rate	TMO 2017 (mortality table 2017)	TMO 2017 (mortality table 2017)
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 rate and improving 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 June 30, 2021		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(553,637)	675,104
Salary increase rate	1%	686,085	(571,464)
Employee turnover rate	20%	(512,848)	619,285
Improving mortality rate	1%	24,579	(28,577)

	(Unit : Baht)		
	Impact on employee benefit obligations		
	As at December 31, 2020		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(890,825)	1,084,392
Salary increase rate	1%	1,046,621	(875,393)
Employee turnover rate	20%	(770,185)	927,616
Improving mortality rate	1%	37,554	(43,569)

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.

21. OTHER LIABILITIES

Other liabilities as at June 30, 2021 and December 31, 2020, consisted of the following:

	As at June 30, 2021	(Unit : Baht) As at December 31, 2020
Accrued expense - related companies (see Note 4)	4,209,434	2,713,491
Accrued expense - other companies	23,471,333	13,402,960
Other payables - a related company (see Note 4)	180,600	180,100
Other payables - other companies	6,187,499	3,973,517
Withholding tax payables	1,097,489	747,817
Total other liabilities	<u>35,146,355</u>	<u>21,017,885</u>

22. SHARE CAPITAL

On January 29, 2021, the Extraordinary General Meeting of shareholder No. 1/2021 passed a resolution to increase the Company's authorized share capital from Baht 2,000,000,000 to Baht 2,500,000,000, the issue of 50,000,000 additional ordinary shares at par value of Baht 10.00 each, totaling Baht 500,000,000. The Company fully received share subscription on February 2, 2021 and registered the capital increase with the Department of Business Development, Ministry of Commerce on February 3, 2021.

On June 10, 2021, the Extraordinary General Meeting of shareholder No. 2/2021 passed a resolution to increase the Company's authorized share capital from Baht 2,500,000,000 to Baht 3,000,000,000, the issue of 50,000,000 additional ordinary shares at par value of Baht 10.00 each, totaling Baht 500,000,000. The Company fully received share subscription on June 11, 2021 and registered the capital increase with the Department of Business Development, Ministry of Commerce on June 14, 2021.

23. 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.

24. INTEREST INCOME

Interest income for the three-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht)	
	“Unaudited”	
	2021	2020
Interest on margin loans	146,799,066	73,497,647
Interest from deposit at financial institutions	1,095,133	5,268,929
Others	1,313,209	1,821,661
Total interest income	<u>149,207,408</u>	<u>80,588,237</u>

Interest income for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht)	
	2021	
	2021	2020
Interest on margin loans	271,427,174	163,116,476
Interest from deposit at financial institutions	2,099,909	7,199,487
Others	2,561,939	2,338,163
Total interest income	<u>276,089,022</u>	<u>172,654,126</u>

25. DIRECTORS AND KEY MANAGERMENTS’ REMUNERATION

Compensation or remuneration payable to key managements of the Company, which is presented as part of “Employee benefits expenses” for the three-month periods ended June 30, 2021 and 2020, are as follows:

	(Unit : Baht)	
	“Unaudited”	
	2021	2020
Short-term benefits	5,918,850	5,688,750
Post-employment benefits	289,151	321,960
Total	<u>6,208,001</u>	<u>6,010,710</u>

Compensation or remuneration payable to key managements of the Company, which is presented as part of “Employee benefits expenses” for the six-month periods ended June 30, 2021 and 2020, are as follows:

	(Unit : Baht)	
	2021	
	2021	2020
Short-term benefits	11,148,600	11,226,000
Post-employment benefits	578,303	643,919
Total	<u>11,726,903</u>	<u>11,869,919</u>

26. EXPECTED CREDIT LOSS (REVERSAL)

Expected credit loss (reversal) for the three-month period ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht) "Unaudited"	
	2021	2020
Cash and cash equivalent	81,388	122,406
Securities business receivables	(5,201,478)	(7,771,770)
Non-collateralized investments	36,736	(2,988)
Collateralized investments	(60,902)	(10,352)
Total expected credit loss (reversal)	<u>(5,144,256)</u>	<u>(7,662,704)</u>

Expected credit loss (reversal) for the six-month period ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht) 2020	
	2021	2020
Cash and cash equivalent	213,013	1,332,309
Securities business receivables	(5,923,488)	10,423,430
Non-collateralized investments	25,827	7,569
Collateralized investments	(118,659)	(31,631)
Total expected credit loss (reversal)	<u>(5,803,307)</u>	<u>11,731,677</u>

27. OTHER EXPENSES

Other expenses for the three-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht) "Unaudited"	
	2021	2020
Premises and equipment expenses	13,636,271	13,477,725
Consultancy and services expenses	2,975,657	550,081
Marketing expenses	3,271,234	1,969,547
Information technology expenses	1,648,660	3,213,421
Specific business taxes	5,469,356	2,792,287
Others	3,449,289	3,476,169
Total other expenses	<u>30,450,467</u>	<u>25,479,230</u>

Other expenses for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Baht) 2020	
	2021	2020
Premises and equipment expenses	27,196,488	27,322,905
Consultancy and services expenses	4,573,080	774,665
Marketing expenses	6,766,487	4,114,582
Information technology expenses	3,176,479	6,455,470
Specific business taxes	10,192,598	6,125,830
Others	7,234,898	6,264,097
Total other expenses	<u>59,140,030</u>	<u>51,057,549</u>

28. BASIC EARNINGS (LOSS) PER SHARE

- 28.1 Basic earnings per share for the three-month periods ended June 30, 2021 and 2020, consisted of the following:

	"Unaudited"	
	2021	2020
Profit attributable to shareholders (Baht)	97,036,108	12,512,543
Weight average number of ordinary shares outstanding (shares)	260,989,011	200,000,000
Basic earnings per share (Baht)	0.37	0.06

Basic earnings (loss) per share for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	2021	2020
Profit (loss) attributable to shareholders (Baht)	154,387,312	(33,331,594)
Weight average number of ordinary shares outstanding (shares)	246,685,083	200,000,000
Basic earnings (loss) per share (Baht)	0.63	(0.17)

The Company had no dilutive ordinary shares during the three-month and six-month periods ended June 30, 2021 and 2020.

- 28.2 Weighted average number of ordinary shares for the three-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Share) "Unaudited"	
	2021	2020
Number of ordinary shares		
Outstanding as at April 1,	250,000,000	200,000,000
Weight average number of ordinary shares subscription received during the year		
(Number of increased shares capital of 50,000,000 shares x 20/91 days)	10,989,011	-
Weight average number of ordinary shares outstanding as at June 30,	<u>260,989,011</u>	<u>200,000,000</u>

Weighted average number of ordinary shares for the six-month periods ended June 30, 2021 and 2020, consisted of the following:

	(Unit : Share)	
	2021	2020
Number of ordinary shares		
Outstanding as at January 1,	200,000,000	200,000,000
Weight average number of ordinary shares subscription received during the year		
(Number of increased shares capital of 50,000,000 shares x 149/181 days)	41,160,221	-
(Number of increased shares capital of 50,000,000 shares x 20/181 days)	<u>5,524,862</u>	<u>-</u>
Weight average number of ordinary shares outstanding as at June 30,	<u>246,685,083</u>	<u>200,000,000</u>

29. SIGNIFICANT AGREEMENTS

On September 20, 2018, the Company had entered into Securities Reverse Repurchase Agreement (“REPO”) with TSFC Securities Public Company Limited (“TSFC”). REPO agreement is for short-term borrowings with collateral, whereby the Company will sell Company’s securities as collateral to TSFC and agree to repurchase at the buyback price, interest rate and period as specified in REPO agreement. However, as at June 30, 2021 and December 31, 2020, the Company did not have such contractual transactions.

30. COMMITMENTS

As at June 30, 2021 and December 31, 2020, the Company has the credit line for bank overdraft with a commercial bank amounting to Baht 10.00 million, carrying interest rate of MOR and being collateralized by fixed deposit (see Note 8.2).

31. RISK MANAGERMENTS

31.1 Net liquid capital

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

In addition, the Notification of the Office of the Securities and Exchange Commission No. KorThor. 26/2563 regarding “Maintenance of Net Capital” requires securities businesses operator to maintain its net liquid capital at the end of working day not less than Baht 15 million and 7% of general liabilities and assets held as collateral.

As at June 30, 2021 and December 31, 2020, the Company has net liquid capital higher than the requirement of the Office of the Securities and Exchange Commission and has owners’ equity higher than the requirement of Thailand Clearing House Co., Ltd.

The periods of time from the statement of financial position date to the maturity dates of financial instruments as at June 30, 2021 and December 31, 2020, are as follows:

(Unit : Thousand Baht)					
As at June 30, 2021					
	At call	Outstanding balances of financial instruments			
		Within 1 year	1 - 5 years	Over 5 years	No maturity
Financial assets					
Cash and cash equivalents	534,751	390,000	-	-	-
Securities and derivatives business receivables	-	215,044	-	-	9,845,776
Non-collateralized investments	-	-	-	-	606
Collateralized investments	-	40,038	-	-	-
Loans to employees	-	416	140	-	-
Financial liabilities					
Borrowings from financial institutions	-	7,910,000	-	-	-
Payables to Clearing House and broker - dealers	-	207,899	-	-	-
Securities and derivatives business payables	-	241,238	-	-	-
Lease liabilities	-	7,375	4,940	-	-

(Unit : Thousand Baht)

As at December 31, 2020						
	Outstanding balances of financial instruments					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	No maturity	
Financial assets						
Cash and cash equivalents	28,161	130,002	-	-	-	158,163
Receivables from Clearing House and broker - dealers	-	142,336	-	-	-	142,336
Securities and derivatives business receivables	-	201,909	-	-	7,218,596	7,420,505
Non-collateralized investments	-	-	-	-	632	632
Collateralized investments	-	39,919	-	-	-	39,919
Loans to employees	-	565	303	-	-	868
Financial liabilities						
Borrowings from financial institutions	-	6,040,000	-	-	-	6,040,000
Securities and derivatives business payables	-	223,228	-	-	-	223,228
Lease liabilities	-	7,209	8,654	-	-	15,863

31.2 The significant risk of financial instruments

As at June 30, 2021 and December 31, 2020, the Company did not have policy to speculate or trade in any derivatives financial instruments.

31.2.1 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.

31.2.2 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 June 30, 2021								
Outstanding balances of financial instruments								
Remaining period to the contractual maturity dates								
	Floating interest rate	At call	Within 1 year	1 - 5 years	No interest	Total	Interest rate (%)	
							Floating rate	Fixed rate
Financial assets								
Cash and cash equivalents	534,301	-	390,000	-	450	924,751	0.05 - 0.50	0.21 - 1.35
Securities and derivatives business receivables	-	-	9,812,670	-	248,150	10,060,820	-	5.00 - 10.00
Non-collateralized investments	-	-	-	-	606	606	-	-
Collateralized investments	-	-	40,038	-	-	40,038	-	0.05 - 0.38
Loans to employees	-	-	416	140	-	556	-	5.06 - 5.95
Financial liabilities								
Borrowings from financial institutions	-	-	7,910,000	-	-	7,910,000	-	1.65 - 2.80
Payables to Clearing House and broker - dealers	-	-	-	-	207,899	207,899	-	-
Securities and derivatives business payables	-	-	-	-	241,238	241,238	-	-
Lease liabilities	-	-	7,375	4,940	-	12,315	-	6.03 - 6.35

(Unit : Thousand Baht)

As at December 31, 2020							
Outstanding balances of financial instruments							
Remaining period to the contractual maturity dates							
	Floating interest rate	At call	Within 1 year	1 - 5 years	No interest	Total	Interest rate (%) Floating rate Fixed rate
Financial assets							
Cash and cash equivalents	28,161	-	130,002	-	-	158,163	0.05 - 0.50 1.00 - 1.75
Receivables from Clearing House and broker - dealers	-	-	-	-	142,336	142,336	- -
Securities and derivatives business receivables	-	-	7,199,615	-	220,890	7,420,505	- 5.31 - 10.00
Non-collateralized investments	-	-	-	-	632	632	- -
Collateralized investments	-	-	39,919	-	-	39,919	- 0.05 - 0.38
Loans to employees	-	-	565	303	-	868	- 5.06 - 5.95
Financial liabilities							
Borrowings from financial institutions	-	-	6,040,000	-	-	6,040,000	- 0.90 - 3.00
Securities and derivatives business payables	-	-	-	-	223,228	223,228	- -
Lease liabilities	-	-	7,209	8,654	-	15,863	- 6.03 - 6.35

31.2.3 Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates.

As at June 30, 2021 and December 31, 2020, the Company does not use any financial instrument to manage such risk.

31.2.4 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 assets measured at fair value

(Unit: Thousand Baht)

Financial assets	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs and relationship of unobservable inputs to fair value ⁽¹⁾
	As at	As at			
	June 30, 2021	December 31, 2020			
Investments measured at fair value through other comprehensive income					
Equity securities	668	668	Level 3	Cost	The shares are not listed on Stock Exchange, and there are no recent observable arm's length transactions in the shares

(1) Applicable only for the fair value hierarchy Level 3

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:

	(Unit : Thousand Baht)		Fair value hierarchy
	As at June 30, 2021		
	Book Value	Fair Value	
Financial assets			
Cash and cash equivalents	924,751	924,751	3
Securities and derivatives business receivables	10,060,820	10,060,820	3
Collateralized investments	40,038	40,038	3
Loans to employees	556	556	3

Financial liabilities			
Borrowings from financial institutions	7,910,000	7,910,000	3
Payables to Clearing House and broker - dealers	207,899	207,899	3
Securities and derivatives business payables	241,238	241,238	3
Lease liabilities	12,315	12,315	3

	(Unit : Thousand Baht)		Fair value hierarchy
	As at December 31, 2020		
	Book Value	Fair Value	
Financial assets			
Cash and cash equivalents	158,163	158,163	3
Receivables from Clearing House and broker - dealers	142,336	142,336	3
Securities and derivatives business receivables	7,420,505	7,420,505	3
Collateralized investments	39,919	39,919	3
Loans to employees	868	868	3
Financial liabilities			
Borrowings from financial institutions	6,040,000	6,040,000	3
Securities and derivatives business payables	223,228	223,228	3
Lease liabilities	15,863	15,863	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 June 30, 2021 and December 31, 2020, the fair values of financial assets and liabilities are not significantly different from carrying amounts.

32. EVENTS AFTER THE REPORTING PERIOD

- 32.1 During July 1, 2021 to August 19, 2021, the Company has additional withdrawn promissory notes with commercial banks in Thailand amounting to Baht 250.00 million.
- 32.2 On June 10, 2021, the Extraordinary General Meeting of shareholder No. 2/2021 passed a resolution to reduce par value of ordinary shares from Baht 10.00 each to Baht 9.60 each. The Company registered with the Department of Business Development, Ministry of Commerce on July 16, 2021.

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorized for issuance by the Board of Directors of the Company on August 19, 2021.



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