

***GMO-Z COM SECURITIES (THAILAND) LIMITED***

***Financial Statements***

***Period ended March 31, 2017***

## REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

#### Opinion

We have audited the financial statements of GMO-Z com Securities (Thailand) Limited (the “Company”), which comprise the statement of financial position as at March 31, 2017, and the related statements of profit or loss and other comprehensive income, changes in owner’ equity and cash flows for the period from November 28, 2016 (date of incorporation) to March 31, 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GMO-Z com Securities (Thailand) Limited as at March 31, 2017, and financial performance and cash flows for the period from November 28, 2016 (date of incorporation) to March 31, 2017 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 under the Royal Patronage of His Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

**BANGKOK**

May 19, 2017

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

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

UNIT : BAHT

	Notes	As at March 31, 2017
<b>ASSETS</b>		
Cash and cash equivalents	4.1	142,085,792
Deposits at financial institutions	5	812,820,000
Leasehold improvement and equipment - net	6	7,125,287
Intangible assets - net	7	11,428,000
Other assets	8	10,503,489
<b>TOTAL ASSETS</b>		<u><u>983,962,568</u></u>

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 MARCH 31, 2017**

UNIT : BAHT

	Notes	As at March 31, 2017
<b>LIABILITIES AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Employee benefit obligations	9	561,351
Other liabilities	10	10,275,732
<b>TOTAL LIABILITIES</b>		<u>10,837,083</u>
<b>OWNERS' EQUITY</b>		
<b>SHARE CAPITAL</b>	11	
Authorized share capital		
100,000,000 Ordinary shares of Baht 10 each		<u>1,000,000,000</u>
Issued and paid-up share capital		
100,000,000 Ordinary shares of Baht 10 each, fully paid		1,000,000,000
<b>RETAINED EARNINGS (DEFICITS)</b>		
Unappropriated (deficits)		<u>(26,874,515)</u>
<b>TOTAL OWNERS' EQUITY</b>		<u>973,125,485</u>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<u>983,962,568</u>

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

**GMO-Z COM SECURITIES (THAILAND) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM NOVEMBER 28, 2016 (DATE OF INCORPORATION)**  
**TO MARCH 31, 2017**

UNIT : BAHT

	Notes	For the period from November 28, 2016 (date of incorporation) to March 31, 2017
REVENUE		
Interest		2,190,413
Total Revenue		<u>2,190,413</u>
EXPENSES		
Operating expenses		
Personnel expenses		10,026,104
Premises and equipment expenses		1,931,726
Directors' remuneration	13.1	30,000
Other expenses	14	17,077,098
Total Expenses		<u>29,064,928</u>
LOSS BEFORE INCOME TAX		(26,874,515)
INCOME TAX	15	<u>-</u>
NET LOSS		<u><u>(26,874,515)</u></u>
 BASIC LOSS PER SHARE	 BAHT	 (0.52)
 WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	 SHARES	 51,370,968

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

**GMO-Z COM SECURITIES (THAILAND) LIMITED**  
**STATEMENT OF CHANGES IN OWNER' EQUITY**  
**FOR THE PERIOD FROM NOVEMBER 28, 2016 (DATE OF INCORPORATION)**  
**TO MARCH 31, 2017**

UNIT : BAHT

	Note	Issued and Paid-up Share Capital	Deficits Accumulated Unappropriated (deficits)	Total Owners' Equity
Beginning balance as at November 28, 2016 (date of incorporation)		-	-	-
Received share capital	11	1,000,000,000	-	1,000,000,000
Net loss		-	(26,874,515)	(26,874,515)
<b>Ending balance as at March 31, 2017</b>		<u><u>1,000,000,000</u></u>	<u><u>(26,874,515)</u></u>	<u><u>973,125,485</u></u>

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



**GMO-Z COM SECURITIES (THAILAND) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM NOVEMBER 28, 2016 (DATE OF INCORPORATION)**  
**TO MARCH 31, 2017**

UNIT : BAHT

	For the period from November 28, 2016 (date of incorporation) to March 31, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss before income tax	(26,874,515)
Adjustments :	
Depreciation and amortization	49,827
Interest income	(2,190,413)
Employee benefits expenses	561,351
Loss from operating activities before changes in operating assets and liabilities	(28,453,750)
Increase in operating assets	
Deposits at financial institutions	(812,820,000)
Other assets	(8,601,559)
Increase in operating liabilities	
Other liabilities	6,611,838
Net cash used in operating activities	(843,263,471)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash received from interest	288,483
Cash paid for purchases of equipment	(6,568,210)
Cash paid for purchases of intangible assets	(8,371,010)
Net cash used in investing activities	(14,650,737)

**GMO-Z COM SECURITIES (THAILAND) LIMITED**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE PERIOD FROM NOVEMBER 28, 2016 (DATE OF INCORPORATION)**  
**TO MARCH 31, 2017**

UNIT : BAHT

	<b>For the period from November 28, 2016 (date of incorporation) to March 31, 2017</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Cash received from increased in its share capital	1,000,000,000
Net cash provided by financing activities	1,000,000,000
Net increase in cash and cash equivalents	142,085,792
Cash and cash equivalents as at	
November 28, 2016 (date of incorporation)	-
<b>Cash and cash equivalents as at March 31, 2017</b>	<b>142,085,792</b>

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

**GMO-Z COM SECURITIES (THAILAND) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM NOVEMBER 28, 2016 (DATE OF INCORPORATION)**  
**TO MARCH 31, 2017**

**1. BUSINESS OPERATIONS AND OTHER INFORMATION OF THE COMPANY**

GMO-Z com Securities (Thailand) Limited (the “Company”) is incorporated as a limited company under Thai laws. The Company’s registered office is located at No. 246, 10<sup>th</sup> Floor, Room 10-04, Time Square Building, Soi Sukhumvit 12-14, Sukhumvit Road, Kwaeng Klongtoey, Khet Klongtoey, Bangkok, and on March 28, 2017, the Company has changed its registered location to No. 9, 15<sup>th</sup> Floor South Wing, G Tower Grand Rama 9, Rama 9 Road, Kwaeng Huaykwang, Khet Huaykwang, Bangkok. The parent company is GMO CLICK 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 March 8, 2017, the Company has submitted the application for the securities business license type A (Full-service License) and derivatives business license type Sor-1 (Full-service License) to the Securities and Exchange Commission (the “SEC”) and the SEC has issued a Notification Kor Tor. 9/2560 dated March 23, 2017 to allow the Company to register as a securities company.

The Company has already registered as a securities company with Department of Business Development, Ministry of Commerce and currently it is in the process of consideration by the SEC to issue the securities business license and the derivative business license.

**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 of the Office of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with requirement of Thai Account Standard No. 1 (Revised 2015) “Presentation of Financial Statements”, and also the Notification of the Office of the Securities and Exchange Commission (the “SEC”) No. SorTor/Kor/Nor. 53/2553, dated December 15, 2010, regarding “The Form of Financial Statements for Securities Companies”.

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

The Federation of Accounting Professions has issued the Notifications regarding TFRSs which are effective for the financial statements for the period beginning on or after January 1, 2016 onwards, as follow:

**Thai Accounting Standards (“TASs”)**

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

**Thai Financial Reporting Standards (“TFRSs”)**

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

**Thai Accounting Standards Interpretations (“TSICs”)**

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases-Incentives
TSIC 25 (Revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRICs”)**

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

**Guideline on Accounting**

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

**2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective**

The Federation of Accounting Professions has issued the Notifications regarding TFRSs, which are effective for the accounting period beginning on or after January 1, 2017 onwards as follows:

**Thai Accounting Standards (“TASs”)**

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2016)	Income Taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits

**Thai Accounting Standards (“TASs”) (Continued)**

TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture

**Thai Financial Reporting Standards (“TFRSs”)**

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

**Thai Accounting Standards Interpretations (“TSICs”)**

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TSIC 31 (Revised 2016)	Revenue - Barter Transactions Involving Advertising Services
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**Thai Financial Reporting Standard Interpretations (“TFRICs”)**

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

**Thai Financial Reporting Standard Interpretations (“TFRICs”) (Continued)**

TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	Levies

**Guideline on Accounting**

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

The Company’s management will adopt the above TFRSs relevant to the Company 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 this TFRSs on the financial statements of the Company for the period in which it is initially applied.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

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

**3.2 Deposits at financial institutions**

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

**3.3 Leasehold improvement and equipment and depreciation**

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

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

Leasehold improvement	lease period
Office equipment	5 Years
Computer	3 Years

**3.4 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).

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

### 3.5 Provision for liabilities

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

### 3.6 Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefits

##### Defined contribution plans

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

##### Defined benefit plans

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

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

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

### 3.7 Revenue and expenses recognition

#### 3.7.1 Interest

Interest on bank accounts is recognized as income on an accrual basis.

#### 3.7.2 Expenses

Expenses are recognized on an accrual basis.

### 3.8 Income tax

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

#### Current tax

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



## Deferred tax

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

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

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

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

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

### 3.9 Basic loss per share

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

### 3.10 Foreign currency transaction

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

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

### 3.11 Financial instruments

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

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

### 3.12 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.

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

#### 3.13.1 Use of management's critical judgements in applying accounting policies

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

#### 3.13.2 Key sources of estimation uncertainty

##### Fair value measurements and valuation processes

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

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

4. CASH AND CASH EQUIVALENTS

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

(Unit: Baht)  
As at  
March 31,  
2017

Deposit at bank - savings account	141,747,502
Deposit at bank - current account	338,290
Total cash and cash equivalents	<u>142,085,792</u>

4.2 Non-cash items for the period from November 28, 2016 (date of incorporation) to March 31, 2017 is as follow:

4.2.1 Payables from purchases of equipment (recognized as a part of other liabilities) as at March 31, 2017, consists of:

(Unit: Baht)  
As at  
March 31,  
2017

Payables from purchases of equipment brought forward	-
<u>Add</u> Purchases during the years	7,175,114
<u>Less</u> Cash payments during the years	<u>(6,568,210)</u>
Payables from purchases of equipment carried forward	<u>606,904</u>

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

(Unit: Baht)  
As at  
March 31,  
2017

Payables from purchases of intangible assets brought forward	-
<u>Add</u> Purchases during the years	11,428,000
<u>Less</u> Cash payments during the years	<u>(8,371,010)</u>
Payables from purchases of intangible assets carried forward	<u>3,056,990</u>

## 5. DEPOSITS AT FINANCIAL INSTITUTIONS

Deposits at financial institutions as at March 31, 2017 consist of:

	As at March 31, 2017		(Unit: Baht)
	Later than 3 months but not over than 1 year	Over 1 year	Total
Fixed deposit	787,820,000	25,000,000	812,820,000
Total deposits at financial institutions	787,820,000	25,000,000	812,820,000

## 6. LEASEHOLD IMPROVEMENT AND EQUIPMENT - NET

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

As at March 31, 2017, there is no fully depreciated equipment that is still in use.

## 7. INTANGIBLE ASSETS - NET

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

## 8. OTHER ASSETS

Other assets as at March 31, 2017, consists of:

	(Unit: Baht) As at March 31, 2017
Other receivable - related company	54,400
Accrued interest receivable	1,901,930
Prepaid expense	1,761,512
Deposits	3,978,810
Others	2,806,837
Total other assets	<u>10,503,489</u>

## 9. EMPLOYEE BENEFIT OBLIGATIONS

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

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

	(Unit: Baht) As at March 31, 2017
Post-employment benefit obligations	<u>561,351</u>
Total	<u>561,351</u>

Movement in the present value of the post-employment benefit obligations for the period from November 28, 2016 (date of incorporation) to March 31, 2017 is as follows:

	(Unit: Baht) As at March 31, 2017
Beginning balance of post-employment benefit obligations	-
Current service cost	561,351
Interest cost	-
Benefits paid	-
Ending balance of post-employment benefit obligations	<u>561,351</u>

Expenses recognized in the statement of profit or loss and other comprehensive income for the period from November 28, 2016 (date of incorporation) to March 31, 2017 is as follows:

	(Unit: Baht)
	As at March 31, 2017
Current service cost	561,351
Interest cost	-
Components of employee benefit costs recognized in profit or loss	561,351
Components of employee benefit costs recognized in other comprehensive income	-
Total	561,351

The principal actuarial assumptions as at March 31, 2017 is as follows:

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

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

	(Unit: Baht)
	Impact on the employee benefit obligations Increases (decreases)
	As at March 31, 2017
Discount rate - decrease by 1%	82,096
Discount rate - increase by 1%	(67,991)
Salary increase rate - decrease by 1%	(64,783)
Salary increase rate - increase by 1%	75,940
Employee turnover rate (base) - decrease by 20% of base assumption	67,425
Employee turnover rate (base) - increase by 20% of base assumption	(54,093)
Improving mortality rate - decrease by 1%	(4,863)
Improving mortality rate - increase by 1%	4,211

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.

#### 10. OTHER LIABILITIES

Other liabilities as at March 31, 2017, consists of:

	(Unit: Baht)
	As at March 31, 2017
Cheque in transit	427,329
Accrued expense	555,005
Payable on purchases of equipment	606,904
Payable on purchases of intangible assets	3,056,990
Other payables	5,168,001
Withholding tax payables	461,503
Total other liabilities	<u>10,275,732</u>

#### 11. SHARE CAPITAL

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

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

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

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

## 12. 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 Office of the SEC.

## 13. DIRECTORS AND MANagements' REMUNERATION

- 13.1 The Company paid directors' remuneration for the period from November 28, 2016 (date of incorporation) to March 31, 2017, amounting to Baht 30,000. The remuneration does not include salaries, bonus and other benefits to its directors who hold executive position.
- 13.2 Compensation or remuneration payable to key managements of the Company, which is presented as part of "Personnel expenses" for the period from November 28, 2016 (date of incorporation) to March 31, 2017, are as follows:

	(Unit: Baht) For the period from November 28, 2016 (date of incorporation) to March 31, 2017
Short-term benefits	5,799,917
Post-employment benefits	476,475
Total	<u>6,276,392</u>



#### 14. OTHER EXPENSES

Other expenses for the period from November 28, 2016 (date of incorporation) to March 31, 2017 consists of:

	(Unit : Baht) For the period from November 28, 2016 (date of incorporation) to March 31, 2017
Consultancy and services expenses	14,617,246
Others	2,459,852
Total other expenses	<u>17,077,098</u>

#### 15. INCOME TAX EXPENSE

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

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

#### 16. RELATED PARTY TRANSACTIONS

The relationships with related parties are as follows;

The Company's name	Type of business	Type of relationship
GMO CLICK Holdings, Inc.	Management of group companies and subsidiaries and other related operations	Parent company
GMO-Z com NetDesign Holdings Co., Ltd.	Holding company in limited partnership, company limited and public limited company	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 period from November 28, 2016 (date of incorporation) to March 31, 2017, are summarized as follows:

	(Unit: Baht)
	For the period from November 28, 2016 (date of incorporation) to March 31, 2017
<b>Accommodation expense - Parent company</b>	
GMO CLICK Holdings, Inc.	100,847
<b>Cost sharing expense - Related party</b>	
GMO-Z com NetDesign Holdings Co., Ltd.	420,483
	<u>521,330</u>

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

	(Unit: Baht)
	As at March 31, 2017
<b>Other receivable - Parent company</b>	
GMO CLICK Holdings, Inc.	54,400
	<u>54,400</u>

## 17. COMMITMENTS

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

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

The Company's operating lease agreements recorded as expense in the statement of profit or loss and other comprehensive income for the period from November 28, 2016 (date of incorporation) to March 31, 2017 is Baht 0.91 million.

- 17.2 As at March 31, 2017, the Company has commitment under agreements for IT system Consulting and Development of Baht 57.14 million.

## 18. FINANCIAL INSTRUMENTS

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

### 18.1 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.

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

### 18.3 Liquidity risk

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

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

### 18.4 Foreign exchange risk

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

18.5 Fair value

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

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

**19. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the authorized director of the Company on May 19, 2017.