
*KRUNGSRI SECURITIES PUBLIC
COMPANY LIMITED*

Financial Statements

Six-month period ended June 30, 2024



บริษัท ดีลอยท์ ทูเช่ โทรมัตสึ จำกัด
สอบบัญชี จำกัด
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED

Opinion

We have audited the financial statements of Krungsri Securities Public Company Limited (the “Company”), which comprise the statement of financial position as at June 30, 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Krungsri Securities Public Company Limited as at June 30, 2024, 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 Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to Notes 2 and 3 to the financial statements, regarding the business combinations under common control with Krungsri Capital Securities Public Company Limited, which the Company has prepared the financial statements in accordance with the Accounting Practices for Business Combinations Under Common Control issued by the Federation of Accounting Professions. Therefore, the Company has retrospectively adjusted the statement of financial position as at December 31, 2023 and the statements of comprehensive income, changes in owners’ equity and cash flows for the six-month period ended June 30, 2023 which were presented for comparison are treated as if the Company and Krungsri Capital Securities Public Company Limited have been operating as one economic unit since the date Krungsri Capital Securities Public Company Limited was under the control of the parent company. Our opinion is not modified in respect of this matter.



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 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.



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

BANGKOK
August 21, 2024

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

		UNIT : BAHT	
	Notes	As at	As at
		June 30,	December 31,
		2024	2023
			(Restated)
ASSETS			
Cash and cash equivalents	5.2	310,235,699	687,780,988
Receivables from Clearing House and broker - dealers	5.3	58,179,831	1,006,356,194
Securities and derivatives business receivables	5.4	10,679,009,926	11,154,834,118
Derivatives assets	5.6	24,961,710	24,738,550
Non-collateralized investments	5.7	453,742,177	545,614,590
Premises and equipment	5.8	133,248,038	157,693,129
Right-of-use assets	5.9.1	156,808,965	212,762,724
Intangible assets	5.10	104,454,842	114,035,931
Deferred tax assets	5.11	62,133,667	86,350,840
Other assets	5.12	382,761,570	414,641,017
TOTAL ASSETS		12,365,536,425	14,404,808,081

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2024

UNIT : BAHT

	Notes	As at June 30, 2024	As at December 31, 2023 (Restated)
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Borrowing from financial institutions	5.13	3,950,000,000	4,050,000,000
Payables to Clearing House and broker - dealers	5.14	484,739,118	310,130,710
Securities and derivatives business payables	5.15	1,990,848,573	2,620,423,823
Derivatives liabilities	5.6	211,000	503,600
Corporate income tax payables		-	4,179,013
Lease liabilities	5.9.2	168,828,637	225,043,864
Provision for liabilities	5.16	204,029,565	205,551,243
Other liabilities	5.17	217,327,162	181,165,084
TOTAL LIABILITIES		<u>7,015,984,055</u>	<u>7,596,997,337</u>
OWNERS' EQUITY			
Issued and paid-up share capital			
555,000,000 ordinary shares of Baht 10 each	5.18	5,550,000,000	
135,000,000 ordinary shares of Baht 10 each			1,350,000,000
Surplus on business combination under common control	3	11,354,338	-
Former owners before business combination under common control	3	-	5,547,188,978
Retained earnings (deficits)			
Appropriated			
Legal reserve	5.19	53,271,300	53,271,300
Unappropriated (deficits)			
		(272,814,125)	(143,991,047)
Other components of owners' equity		7,740,857	1,341,513
TOTAL OWNERS' EQUITY		<u>5,349,552,370</u>	<u>6,807,810,744</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>12,365,536,425</u>	<u>14,404,808,081</u>

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

UNIT : BAHT

	Notes	2024	2023 (Restated)
INCOME			
Brokerage fees income	5.21	336,864,414	338,073,932
Fees and services income	5.22	165,667,934	99,607,531
Interest income	5.23	291,838,407	197,003,154
Gains and return on financial instruments	5.24	21,164,056	28,724,605
Other income		<u>15,594,555</u>	<u>4,865,251</u>
Total income		<u>831,129,366</u>	<u>668,274,473</u>
EXPENSES			
Employee benefits expenses	5.27	446,662,172	391,101,863
Fee and service expenses		105,595,488	90,733,056
Interest expenses		80,179,613	48,277,350
Expected credit losses (reversal)		40,394,618	(1,280,913)
Other expenses	5.28	<u>282,631,821</u>	<u>177,976,601</u>
Total expenses		<u>955,463,712</u>	<u>706,807,957</u>
LOSS BEFORE INCOME TAX EXPENSE		(124,334,346)	(38,533,484)
INCOME TAX EXPENSE	5.29	<u>24,887,801</u>	<u>24,890,862</u>
NET LOSS FOR THE PERIOD		<u>(149,222,147)</u>	<u>(63,424,346)</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Gains on investments measuring by fair value through other comprehensive income		779,175	147,195
Income tax relating to components of other comprehensive income	5.29	<u>(155,835)</u>	<u>(29,439)</u>
Total other comprehensive income net of tax		<u>623,340</u>	<u>117,756</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(148,598,807)</u>	<u>(63,306,590)</u>
Profit (loss) for the period attributable to			
Owners of the Company		(128,823,078)	(76,325,580)
Former owners before business combination under common control		<u>(20,399,069)</u>	<u>12,901,234</u>
Loss for the period		<u>(149,222,147)</u>	<u>(63,424,346)</u>
Total other comprehensive income (loss) for the period attributable to			
Owners of the Company		(128,774,589)	(76,207,824)
Former owners before business combination under common control		<u>(19,824,218)</u>	<u>12,901,234</u>
Total other comprehensive loss for the period		<u>(148,598,807)</u>	<u>(63,306,590)</u>
BASIC LOSS PER SHARE	5.25	(0.46)	(0.57)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES			
	SHARES	278,076,923	135,000,000

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

UNIT : BAHT

Notes	Issued and Paid-up Share Capital	Surplus on business combination under common control	Retained Earnings (Deficits)		Other components of owners' equity		Former owners before business combination under common control	Total Owners' Equity
			Appropriated - Legal Reserve	Unappropriated (Deficits)	Gain on equity investments measured at FVOCI	Total other components of owners' equity		
	1,350,000,000	-	53,271,300	(23,447,499)	1,223,757	1,223,757	-	1,381,047,558
	-	-	-	-	-	-	5,620,681,877	5,620,681,877
5.26	-	-	-	-	-	-	(174,187,989)	(174,187,989)
	-	-	-	(76,325,580)	117,756	117,756	12,901,234	(63,306,590)
	1,350,000,000	-	53,271,300	(99,773,079)	1,341,513	1,341,513	5,459,395,122	6,764,234,856
	1,350,000,000	-	53,271,300	(143,991,047)	1,341,513	1,341,513	-	1,260,621,766
	1,350,000,000	-	53,271,300	(143,991,047)	1,341,513	1,341,513	5,547,188,978	5,547,188,978
5.26	-	-	-	-	-	-	(942,550,563)	(942,550,563)
3	-	11,354,338	-	-	5,776,004	5,776,004	(4,584,239,346)	(4,567,109,004)
5.18	4,200,000,000	-	-	-	-	-	-	4,200,000,000
	-	-	-	(128,823,078)	623,340	623,340	(20,399,069)	(148,598,807)
	5,550,000,000	11,354,338	53,271,300	(272,814,125)	7,740,857	7,740,857	-	5,349,552,370

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

UNIT : BAHT

	Note	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(124,334,346)	(38,533,484)
Adjustments to reconcile income before income tax to cash received from (paid for) operating activities			
Depreciation and amortization		69,824,786	57,704,138
Expected credit loss from Securities and derivatives business receivables (reversal)		41,618,896	(21,766)
Reversal expected credit losses		(1,224,279)	(1,259,146)
Loss from change in fair value of investment		26,819,366	1,272,493
Gains from change in fair value of derivatives		(515,760)	(6,515,562)
Employee benefits expenses		4,356,110	12,723,461
Gains (loss) on sale and write-off of equipment and intangible assets		480,833	(77,873)
Gains from write-off of lease agreement		(35,305)	(10,416)
Interest expenses from lease liabilities		2,855,108	1,786,197
Interest expenses		77,324,505	46,491,153
Interest income		(291,838,407)	(197,003,154)
Dividend income		(9,649,664)	(10,601,069)
Loss from operations before changes in operating assets and liabilities		<u>(204,318,157)</u>	<u>(134,045,028)</u>
Operating assets (increase) decrease			
Receivables from Clearing House and broker - dealers		948,176,363	512,621,773
Securities and derivatives business receivables		428,374,519	407,533,910
Non-collateralized investments		63,679,003	346,827,261
Other assets		31,207,214	6,034,349
Operating liabilities increase (decrease)			
Payables to Clearing House and broker - dealers		174,608,408	917,901,613
Securities and derivatives business payables		(629,050,250)	(739,179,405)
Provision for liabilities		(4,690,022)	(2,160,033)
Other liabilities		10,338,721	238,141,470
Cash received from operations		<u>1,022,643,956</u>	<u>1,687,720,938</u>
Dividend income		9,169,400	10,116,406
Interest expenses		(50,468,795)	(42,566,775)
Interest income		281,436,008	184,725,714
Income tax paid		(7,054,645)	(49,925,373)
Receive a tax refund		3,472,802	-
Net cash provided by operating activities		<u>1,054,880,569</u>	<u>1,656,025,882</u>

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

UNIT : BAHT

	Notes	2024	2023 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from (paid for) investing activities			
Cash paid for purchases of equipment	5.1.1	(5,819,962)	(15,954,273)
Cash received from sale of equipment		46,916	162,478
Cash paid for purchases of intangible assets	5.1.1	(3,132,918)	(8,767,262)
Cash paid for the entire business transfer under common control		(4,567,109,004)	-
Interest received		21,222,809	11,185,630
Dividend received		480,264	484,663
Net cash used in investing activities		<u>(4,554,311,895)</u>	<u>(12,888,764)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid for financing activities			
Cash paid for repayment of borrowing from financial institutions	5.1.2	(750,000,000)	(1,000,000,000)
Cash received from borrowing from financial institutions	5.1.2	650,000,000	-
Cash paid for repayment of liabilities under lease agreements	5.1.2	(35,599,913)	(28,449,760)
Cash received from increasing in ordinary shares	5.18	4,200,000,000	-
Dividends paid to former owners before business combination under common control	5.26	(942,550,563)	(174,187,989)
Net cash provided by (used in) financing activities		<u>3,121,849,524</u>	<u>(1,202,637,749)</u>
Net increase (decrease) in cash and cash equivalents		(377,581,802)	440,499,369
Expected credit losses (increase) decrease		36,513	(287,911)
Cash received from the business combination as at March 7, 2023		-	806,082,584
Cash and cash equivalents at the beginning of the period		687,780,988	706,959,538
Cash and cash equivalents at the ending of the period		<u><u>310,235,699</u></u>	<u><u>1,953,253,580</u></u>

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

KRUNGSRI SECURITIES PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

1. THE COMPANY'S OPERATIONS

Krungsri Securities Public Company Limited (the "Company") is a company registered in Thailand on December 21, 1998 to undertake the securities business. The head office is located at 898 Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok, and as at June 30, 2024 and December 31, 2023, the Company has 17 and 18 branches, respectively.

Bank of Ayudhya Public Company Limited is the parent company, holding 99.96% of the Company's issued and paid-up share capital. The major shareholder of the parent company is MUFG Bank, Ltd. ("MUFG") and its ultimate parent company is Mitsubishi UFJ Financial Group, Inc, both companies are registered in Japan. The Ministry of Commerce granted approval for the Company to operate business under Foreign Business Act B.E. 2542 on September 26, 2014.

The Company has been granted securities business licenses to operate the following securities businesses:

1. Securities Brokerage
2. Securities Trading
3. Investment Advisory Service
4. Securities Underwriting
5. Private Fund Management
6. Derivatives Agent
7. Securities Borrowings and Lending

On March 27, 2024, the Annual General Meeting of Shareholders for the year 2024 of the Company passed a resolution to approve the entire business transfer from Krungsri Capital Securities Public Company Limited to the Company which is a subsidiary under common control of the parent company. Subsequently, the Company has completed the entire business transfer on May 7, 2024 (see Note 3).

The Company has temporarily suspended its business in private fund management. The Securities and Exchange Commission has approved, effective from July 17, 2024.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand, where the format of financial statements is based on Thai Accounting Standard No. 1 “Presentation of Financial Statements” and also the Notification of the Office of the Securities and Exchange Commission (“SEC”) No. SorTor. 6/2562, dated January 8, 2019, regarding “The Form of Financial Statements for Securities Companies (No.3)”.

Business Combinations Under Common Control

On March 27, 2024, the 2024 Annual General Meeting of Shareholders of the Company passed a resolution to approve the Entire Business Transfer (the “EBT”) from Krungsri Capital Securities Public Company Limited which is a subsidiary under common control of the parent company. Subsequently, on May 7, 2024, the Company completed of the EBT (see Note 3). Therefore, the EBT was a business combination under common control. The Company has prepared the financial statements in accordance with the Accounting Practices for Business Combinations Under Common Control issued by the Federation of Accounting Professions, which are accounted for using a method similar to the pooling of interest method, as the buyer recognized assets and liabilities of the acquired businesses at their carrying amounts at the date of under common control. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus from business combinations under common control in owners’ equity. The surplus will be transferred to retained earnings upon divestment of the businesses acquired.

After business combination under common control, the results from operations of the acquired businesses from business combination under common control will be included in the financial statements from the beginning of the comparative year or the moment the businesses came under common control, whichever date is later, until control ceases (see Note 3).

- 2.2 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 issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, which the changes are to amend the accounting requirements, as follows:

- Thai Accounting Standard No.1 “Presentation of Financial Statements”, require to disclose the material accounting policy information.
- Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, amend the definition of accounting estimates.

- Thai Accounting Standard No.12 "Income Taxes", add the requirements for the initial recognition of deferred tax which give rise to equal taxable and deductible temporary differences, and also add the exemption for the deferred tax recognition related to International Tax Reform - Pillar Two Model.

The adoption of these financial reporting standards does not have any significant impact on the Company' financial statements. However, the Company have presented in Note 5.11 regarding deferred income tax by separately presenting deferred tax assets and deferred tax liabilities related to transactions which give rise to equal taxable and deductible temporary differences in accordance with the requirement of revised Thai Accounting Standard No.12 "Income Taxes".

- 2.3 The financial statements of the Company have been prepared under the historical cost convention except as disclosed in the material accounting policy information as follow:

- 2.3.1 Revenue and expense recognition

- Brokerage fees income

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

- Fees and services income

- Underwriting fee

Underwriting fee is recognized when the relevant placing, underwriting, sub-underwriting are completed. Accordingly, the revenue is recognized at a point in time.

- Financial advisory fee and Management fees - Private Fund

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

- Selling agent fee

Selling agent fee is comprised of commission income from front-end fee and back-end fee which are recognized on completion of the transaction.

Trailing fee is recognized as revenue over the period during which the fund is operate.

- Securities borrowing and lending fees

Securities borrowing and lending fees are recognized as revenue over the period as the securities are lent.

Interest income on margin loans

Interest income is recognized over the term of the loans. The Company recognizes interest income using the effective interest rate method and recognized on an accrual basis except for having the evidence to prove that all loans are uncollectible or when receivables are impaired.

Gains (losses) and return on financial instruments

The Company's gains (losses) and return on financial instruments consist of gains (losses) on investments and derivatives which are recognized as income or expenses on the transaction dates. Dividends from investments are recognized as income when the right to receive the dividends is established.

Gains and losses on exchange rate

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

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

Interest income

Interest income is recognized on an accrual basis.

Expenses

Expenses are recognized on an accrual basis.

Interest expense

Interest expense from financial liabilities at amortized cost is calculated using the effective interest method and recognized on an accrual basis.

2.3.2 Recognition and amortization of customer deposits

Money which customers have placed with the Company in cash accounts and credit balance for securities and derivatives trading is recorded as the assets and liabilities of the Company for internal control purposes. As at the statement of financial position date, the Company writes these amounts off from both assets and liabilities and presents only assets and liabilities which belong to the Company.

2.3.3 Cash and cash equivalents

Cash and cash equivalents are cash on hand and all types of deposits with financial institutions, which maturities within 3 months from acquisition date, and including call notes receivable and term notes receivable issued by financial institutions with an ordinary maturing within 3 months or less and not subject to withdrawal restrictions and without commitments but excluding certificates of deposits and Company's deposit accounts for the customers, according to the Notification of the Office of the Securities and Exchange Commission.

2.3.4 Receivables and payables from/to Clearing House and broker - dealers

Net balances of receivables or payables incurred from settlement of securities and derivatives trading each day through the Clearing House, are presented as net balances of receivables or payables from/to Clearing House including cash paid as collateral at the Clearing House for securities business, and the net balance of amounts receivable from or payable to foreign securities companies in respect of securities trades settled overseas through foreign securities companies including cash pledged with foreign securities companies as collateral for securities trading.

2.3.5 Securities and derivatives business receivables

Securities and derivatives business receivables are the net securities and derivatives business receivables and include related accrued interest receivables and unearned interest income calculated by using the effective interest method, after deducting allowance for expected credit losses. In addition, securities business receivables include the net receivable balances of cash accounts, credit balance accounts, securities borrowings receivable and guarantee deposit receivables which comprise cash placed as security with securities lenders or securities depositories and other receivables such as overdue cash customer accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or settling in installments.

2.3.6 Borrowing and lending of securities

The Company is engaged in securities borrowing and lending, whereby the Company acts as a principal or an agent of the borrowers and lenders of securities who are the Company's customers. The Company records its obligations to return borrowed securities which it has lent as "Payable under securities borrowing and lending business" presented under securities and derivatives business payable in the statement of financial position and securities lent to customers are recorded as "Receivables under securities borrowing and lending business" presented under securities and derivatives business receivables in the statement of financial position base on the close price quoted on the Stock Exchange of Thailand of the last working day of the year.

The Company adjusts the balance of securities borrowing payables based on the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. The change in value are recorded in profit or loss.

In addition, the Company records cash paid as collateral for securities borrowing as “Guaranteed deposit receivables” and cash received as collateral for securities lending as “Guarantee deposit payables”.

2.3.7 Allowance for expected credit loss on financial assets

The Company recognize an allowance for expected credit loss (“ECL”) on financial assets measured at amortized cost or measured at fair value through other comprehensive income. The Company recognizes allowance for expected credit losses at the amount equal to the lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition but that are not credit impaired, or credit impaired. However, no impairment loss is recognized on equity instruments measured at fair value through other comprehensive income. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

At the end of reporting date, the amount of allowance for expected credit losses will be reassessed to reflect changes in credit risk of financial assets since initial recognition of related financial instruments.

The measurement of allowance for expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data, adjusts this for current observable data and plus on the reasonable and supportable forecasts of future economic conditions. As for the exposure at default, for financial assets, this is represented by the asset’s gross carrying amount at the reporting date. The Company has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. The ECL is adjusted with a management overlay where considered appropriate.

The allowance for expected credit losses on credit balance accounts is based on historical loss experience, adjusts this for specific factor and plus on forecasts of future economic conditions. In determining whether credit risk has increased significantly since initial recognition, the Company takes into account the status of outstanding receivables and maintenance of required collateral values in the contract.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

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.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improves so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognized based on 12-month ECL. The changes in the reversal of loss allowance are recognized in profit or loss as an impairment gain or loss.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization
- The disappearance of an active market for that financial asset because of financial difficulties

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that are reasonable and supportable, including historical experience that is available without undue cost or effort, based on the Company's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the specters of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

The Company considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Bad debts recovered from written off receivables will be recognized in the statement of comprehensive income.

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets
- For loan commitments and financial guarantee contracts: as a provision; the Company included an allowance for expected credit loss for loan commitments of securities business loans and derivative business receivables in the provision for loan commitments and financial guarantee contracts.

2.3.8 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 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 and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification and measurement of financial asset and financial liabilities

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 as follows:

(1) A financial asset measured at amortized cost

Only if both following conditions are met: the financial assets are 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value on trade date and subsequently measured at amortized cost net of allowance for expected credit losses, if any, and allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in statements of comprehensive income in the "Interest income" line item.

(2) A financial asset at FVTOCI

The Company has classified investment in equity securities that not held for trading but held for strategic purposes as the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been made. Such classification is determined on an instrument-by-investment basis. Gains and losses arising from changes in fair value is 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 in statement of comprehensive income when disposal, it is transferred to retained earnings.

Dividends on these investments are recognized in statement of comprehensive income included in the "Gains (losses) and return on financial instruments" unless the dividends clearly represent a recovery of part of the cost of the investment.

Equity securities not listed in the Stock Exchange of Thailand ("SET"), the fair value is determined by using the latest net book value of invested company.

The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9.

(3) Financial assets at FVTPL

Unless the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains or losses from change in fair value, and gains or losses on disposal of instruments are recognized in statement of comprehensive income in the "Gains (losses) and return on financial instruments" line item.

Fair values or market values of equity securities which are listed securities are estimated using the last bidding prices at the Stock Exchange of Thailand on the last business day of the period/year.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period as follows:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the “Gains (losses) and return on financial instruments” line item
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the “Gains (losses) and return on financial instruments” line item as part of the fair value gain or loss
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognized in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortized cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount, except when the liabilities are held at fair value through profit or loss.

Interest expense and EIR amortization as well as foreign exchange gains or losses on financial liabilities measured at amortized cost are recognized in the statement of comprehensive income.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the “Gains (losses) and return on financial instruments” line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derecognition of financial instruments

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognized in the statement of comprehensive income.

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognized in profit or loss.

Write-off

Debts that are determined to be irrecoverable are written off in the year in which the decision is taken. This is generally the case when the Company determines that the counterparties do not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

2.3.9 Premises and equipment/Depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Depreciation of premises and equipment is calculated by reference to their cost on the straight-line basis over the following estimated useful lives.

Condominium units	10	years
Leasehold improvements	12	years
Office equipment	3, 5, 6	years
Furniture and fixtures	5, 6	years
Motor vehicles	5	years

No depreciation is provided on construction in progress.

Depreciation is included in determining income.

An item of premises and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss when the asset is derecognized.

2.3.10 Intangible assets and amortization

Intangible assets with definite useful life are stated at cost, net of accumulated amortization.

Amortization of computer software is calculated by the straight-line method, over the estimated useful lives of the assets of 5 and 10 years.

Intangible assets with indefinite useful life are stated at cost to be tested for impairment at every reporting date. Impairment will be set up, if any, and is recorded as loss on impairment in the statement of comprehensive income.

2.3.11 Right-of-use asset

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except for short-term leases (defined as leases with a lease term of 12 months or less) and underlying asset is low value. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognized for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease), any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Building	2 - 6	years
Office equipment	1 - 4	years
Motor vehicles	4 - 5	years

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including the risk-free rate based on government bond rates, a country-specific risk adjustment, a credit risk adjustment based on bond yields, and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest (effective interest rate) on the remaining balance of the liability. Finance charges are charged directly to the statements of comprehensive income.

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 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.

If ownership of the underlying asset transfers to the Company at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In case the lease transfers ownership of the underlying asset; or calculated based on the shorter of the estimated useful lives or the lease term in case the lease does not transfer ownership of the underlying asset.

Impairment of right-of-use assets shall be determined using the TAS 36 "Impairment of Assets" which explains how to review the carrying amount of its assets, how to determine the recoverable amount of an asset, and when an impairment loss is recognized or reversed.

2.3.12 Property foreclosed

Property foreclosed is stated at the lower of cost or net realizable value with reference to the latest appraisal value less estimated selling expenses.

2.3.13 Impairment of non-financial assets

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

An impairment loss is recognized in profit or loss.

2.3.14 Borrowings from financial institutions

Borrowings from financial institutions are recognized initially at the fair value of the proceeds received. Borrowings from financial institution are 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 period of the borrowings.

2.3.15 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives businesses with outside parties.

2.3.16 Provision for liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that no independent market value can be obtained, then an estimate is assessed.

2.3.17 Employee benefits

2.3.17.1 Employee benefits expenses

Salaries, wages, bonuses, directors' remuneration, the contributions for social security fund and provident fund are recorded as expenses in the statement of comprehensive income on the transaction dates.

2.3.17.2 Employee benefit obligations

1. Post-employment benefit obligations

Legal severance payment

This obligation represents the benefit retiring employees will receive as determined by the Labor Protection Act.

The obligations of this plan is considered unfunded defined benefit obligations according to TAS 19 "Employee Benefits" and is separately measured by an actuary using the projected unit credit method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, staff turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee benefits expenses in the statement of comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income (expense).

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.

2. Benefit from carried forward leave

The benefit from cumulative carried forward leave is recognized as a liability in the statement of financial position and employee benefits expenses in the statement of comprehensive income when the employees render the service.

2.3.18 Customer loyalty programmes

Customer loyalty programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for rewards.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through "Deferred revenue customer loyalty programmes" under other liabilities and recognized as "Brokerage fees" when the points are redeemed by customers.

2.3.19 Income tax

Income tax represent the sum of the tax currently payable and deferred tax.

2.3.19.1 Current tax

The current tax is based on taxable profit for the period/year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

2.3.19.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

Deferred tax assets will be diluted as much as taxable profit be had a chance to use. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available against which some or all of deferred tax assets can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the statement of financial position date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when current tax assets and liabilities are offset and when they relate to income taxes levied by the same taxation authority.

Income tax expenses (income) related to profit or loss are presented in the statement of comprehensive income. Current and deferred taxes of related to items recognized directly in other comprehensive income in the same or different period, they will be recognized directly in other comprehensive income.

2.3.20 Basic earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing net income (loss) for the period/year by the weighted average number of ordinary shares issued and paid-up during the period/year.

The Company did not have any common share equivalents outstanding which would have a dilutive effect on basic earnings (losses) per share.

2.3.21 Derivative financial instruments

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each the end of reporting date. The resulting gain or loss is recognized in profit or loss immediately.

The fair value of derivatives is based on the daily settlement prices quoted by Thailand Futures Exchange Public Company Limited.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset.

The Company records amounts pledged as security for trading derivatives transaction in Thailand Derivatives Market as receivables from Thailand Clearing House "TCH".

2.3.22 Related parties transaction

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

They also include individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with direct or indirect authority in the planning and direction of the Company's operations.

2.3.23 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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

2.3.24 Use of management's judgments and key source of estimation uncertainty

The preparation of financial statements in conformity with Thai Financial Reporting Standards 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 revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying the Company's accounting policies are as follows:

2.3.24.1 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.

2.3.24.2 Allowances for expected credit losses of financial assets

The management is required to use judgment 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.

2.3.24.3 Significant increase in credit risk

As explained in Note 2.3.7, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

2.3.24.4 Recognition and derecognition of assets and liabilities

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

2.3.24.5 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and discloses of fair value hierarchy.

2.3.24.6 Premises and equipment and depreciation

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

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

2.3.24.7 Intangible assets

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

2.3.24.8 Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate.

2.3.24.9 Leases

Determining the lease term of contracts with renewal and termination options

In determining the lease term, the management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgment in estimating its incremental borrowing rate “IBR” to discount lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2.3.24.10 Allowance for impairment of non-financial assets

In determining allowance for impairment of non-financial asset, the management is required to exercise judgments regarding determination of the recoverable amount of the asset, which is the higher of its forecast fair value less cost of disposal and its forecast value in use.

2.3.24.11 Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

3. **Business combinations under common control and retrospective financial statement adjustments from business combinations under common control**

The details of consideration transferred for business combination under common control and net book value of the net assets acquired are as follows:

Identifiable assets acquired and liabilities assumed of Krungsri Capital Securities Public Company Limited as at May 7, 2024, consist of the following:

	Unit: Baht
Assets	
Cash and cash equivalents	448,876,064
Receivables from Clearing House and broker - dealers	137,919,969
Securities and derivatives business receivables	8,633,435,273
Derivatives assets	4,926,960
Investments	78,647,794
Premises and equipment	121,239,958
Intangible assets	77,207,478
Right-of-use assets	139,530,075
Others	317,040,176
Total assets	<u>9,958,823,747</u>
Liabilities	
Borrowing from financial institutions	4,350,000,000
Payables to Clearing House and broker - dealers	1,757,765
Securities and derivatives business payables	649,893,547
Others	372,358,238
Total liabilities	<u>5,374,009,550</u>
Other components of owners’ equity	6,350,855
Total net assets	<u>4,578,463,342</u>
Consideration paid	<u>4,567,109,004</u>
Surplus from business combination under common control	<u>11,354,338</u>

Therefore, the financial statements have been prepared on the basis of a business combination under common control in accordance with the Accounting Practices for Business Combinations Under Common Control issued by the Federation of Accounting Professions, which are accounted for using a method similar to the pooling of interest method.

The Company has retrospectively adjusted the statement of financial position as at December 31, 2023 and statements of comprehensive income, statement of changes in owners' equity and statement of cash flow for the six-month period ended June 30, 2023, which is compared. It is considered that Krungsri Capital Securities Public Company Limited and the Company have been operating as one economic unit since the date Krungsri Capital Securities Public Company Limited was under the control of the parent company (the date the parent company acquires the business of Krungsri Capital Securities Public Company Limited on March 7, 2023), although the legal form of the business combination under the common control of the Company occurred later, the retrospective adjustment in the statement of financial position as of December 31, 2023, affected total assets to increase by Baht 11,389.50 million, total liabilities to increase by Baht 5,842.31 million and the former owners before business combination under common control to Baht 5,547.19 million, and the details of the former owners before business combination under common control are represent in the statement of changes in owners' equity and retrospective adjustment in the statement of comprehensive income for the six-month period ended June 30, 2023, affected total revenue to increase by Baht 413.08 million and loss for the period to decrease by Baht 12.90 million.

The financial statements for the six-month period ended June 30, 2024, the Company included the performance of Krungsri Capital Securities Public Company Limited for the period from January 1, 2024 to May 6, 2024 with total revenue of Bath 431.91 million and profit for the period of Bath 20.40 million, which is included as part of the Company's performance.

4. RISKS MANAGEMENT

4.1 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company's management aims at maintaining flexibility in funding by keeping committed credit lines available.

Under the Notification of the Securities and Exchange Commission No. KorTor. 26/2563 regarding "Net Capital Rules (NCR)" requires the Company to maintain its net capital requirement at the end of the day not less than Baht 25 million and not less than 7% of general liabilities and assets which are used as guarantee.

The Company has been granted a derivative business license in the form of derivatives agent in accordance to the law of derivatives agent. The Company has to maintain net capital adequacy at the end of the day at least Baht 25 million and at least 7% of general liabilities and assets which are used as guarantee.

As at June 30, 2024 and December 31, 2023, the Company maintained its net capital requirement higher than the requirement established by the Securities and Exchange Commission and has owners' equity higher than the requirement of Thailand Clearing House Co., Ltd. ("TCH").

Financial assets and liabilities in the statement of financial position classified by maturity are presented in the following table:

	As at June 30, 2024				
	At call	Less than 1 year	1 - 5 years	No maturity	Total
	Baht	Baht	Baht	Baht	Baht
Financial assets					
Cash and cash equivalents	310,235,699	-	-	-	310,235,699
Receivables from Clearing House and broker - dealers	-	58,179,831	-	-	58,179,831
Securities and derivatives business receivables	8,692,235,635	1,973,982,522	-	916,041,235	11,582,259,392
Derivatives assets	-	24,961,710	-	-	24,961,710
Non-collateralized investments	-	432,814,427	-	20,927,750	453,742,177
Financial liabilities					
Borrowing from financial institutions	-	3,950,000,000	-	-	3,950,000,000
Payables to Clearing House and broker - dealers	-	484,739,118	-	-	484,739,118
Securities and derivatives business payables	-	1,990,848,573	-	-	1,990,848,573
Derivative liabilities	-	211,000	-	-	211,000
Lease liabilities	-	57,468,968	111,359,669	-	168,828,637
As at December 31, 2023 (Restated)					
	At call	Less than 1 year	1 - 5 years	No maturity	Total
	Baht	Baht	Baht	Baht	Baht
Financial assets					
Cash and cash equivalents	687,780,988	-	-	-	687,780,988
Receivables from Clearing House and broker - dealers	-	1,006,356,194	-	-	1,006,356,194
Securities and derivatives business receivables	9,721,724,783	1,390,536,083	-	898,409,756	12,010,670,622
Derivatives assets	-	24,738,550	-	-	24,738,550
Non-collateralized investments	-	525,466,015	-	20,148,575	545,614,590
Financial liabilities					
Borrowing from financial institutions	-	4,050,000,000	-	-	4,050,000,000
Payables to Clearing House and broker - dealers	-	310,130,710	-	-	310,130,710
Securities and derivatives business payables	-	2,620,423,823	-	-	2,620,423,823
Derivative liabilities	-	503,600	-	-	503,600
Lease liabilities	-	65,588,485	159,455,379	-	225,043,864

Managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure.

4.2 Important risks of financial instruments

Accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in Note 2.3.

4.2.1 Interest rate risk

Interest rate risk of financial assets in the statement of financial position arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Company in the current and in future periods. Interest rate risk arises from the structure and characteristics of the Company's assets, liabilities and equity or the mismatch in repricing of its assets and liabilities.

The Company has no derivatives for hedging with respect to interest rate risk.

The interest rates on financial assets and liabilities

Financial assets and liabilities which have been classified based on maturity of interest repricing period are presented in the following table:

As at June 30, 2024									
Transactions	Floating interest rate Baht	The maturity or interest repricing periods					Total Baht	Interest rate (%)	
		Less than 1 year Baht	1 - 5 years Baht	More than 5 years Baht	No maturity Baht	Non-interest bearing Baht		Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	143,777,368	-	-	-	-	166,458,331	310,235,699	0.50 - 1.50	-
Receivables from Clearing House and broker - dealers	-	35,566,436	-	-	-	22,613,395	58,179,831	-	0.08 - 1.75
Securities and derivatives business receivables	7,970,125,111	342,728,262	-	-	-	3,269,406,019	11,582,259,392	5.56 - 7.50	-
Derivatives assets	-	-	-	-	-	24,961,710	24,961,710	-	-
Non-collateralized investments	-	6,511,986	-	-	-	447,230,191	453,742,177	-	1.29 - 2.38
Financial liabilities									
Borrowing from financial institutions	-	3,950,000,000	-	-	-	-	3,950,000,000	-	2.98 - 3.08
Payables to Clearing House and broker - dealers	-	-	-	-	-	484,739,118	484,739,118	-	-
Securities and derivatives business payables	-	-	-	-	-	1,990,848,573	1,990,848,573	-	-
Derivative liabilities	-	-	-	-	-	211,000	211,000	-	-
Lease liabilities	-	57,468,968	111,359,669	-	-	-	168,828,637	-	0.68 - 3.96

As at December 31, 2023 (Restated)									
Transactions	Floating interest rate Baht	The maturity or interest repricing periods					Total Baht	Interest rate (%)	
		Less than 1 year Baht	1 - 5 years Baht	More than 5 years Baht	No maturity Baht	Non-interest bearing Baht		Floating rate	Fixed rate
Financial assets									
Cash and cash equivalents	564,406,511	-	-	-	-	123,374,477	687,780,988	0.15 - 0.20	-
Receivables from Clearing House and broker - dealers	-	131,556,577	-	-	-	874,799,617	1,006,356,194	-	1.55
Securities and derivatives business receivables	8,948,240,717	361,792,893	-	-	-	2,700,637,012	12,010,670,622	5.56 - 7.50	5.56 - 5.85
Derivatives assets	-	-	-	-	-	24,738,550	24,738,550	-	-
Non-collateralized investments	-	7,544,765	-	-	-	538,069,825	545,614,590	-	0.72 - 1.10
Financial liabilities									
Borrowing from financial institutions	-	4,050,000,000	-	-	-	-	4,050,000,000	-	2.27 - 3.25
Payables to Clearing House and broker - dealers	-	-	-	-	-	310,130,710	310,130,710	-	-
Securities and derivatives business payables	-	-	-	-	-	2,620,423,823	2,620,423,823	-	-
Derivative liabilities	-	-	-	-	-	503,600	503,600	-	-
Lease liabilities	-	65,588,485	159,455,379	-	-	-	225,043,864	-	0.68 - 3.96

4.2.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparts, credit analysis from customers' information and consistent following-up of customer status. As a result, the Company does not expect to incur material financial losses. In addition, the Company is not exposed to concentrations of credit risk because it has a variety of customer base and large number of customers. In relation to impairment of financial assets, TFRS 9 requires the Company to prepare an expected credit loss model. The Company has established and maintain an appropriate expected credit loss model. The risk management department periodically reviews the parameters and the data used in the credit loss model. In the case of recognized credit risk, the carrying amount of assets is as recorded in the statement of financial position, after deduct allowance for expected credit losses.

Deposits with banks and financial institutions and other financial instruments

The credit risk on deposits with banks and financial institutions and investment in debt instruments is limited because the Company has deposit with banks and financial institutions with high credit-ratings assigned by credit-rating agencies. For investment in debt instruments, the Company invests in Government bond with low credit risk.

Securities and derivatives business receivables

The Company manages the credit risk for securities and derivatives business receivables by establishing a credit quality review process and trading credit limit, placing collateral and approval and reviewing credit limit at both of committee and individual level subject to credit level. In addition, the Company assigns Risk Management Department to control and monitor the credit risk on a regular basis.

Loans to employees

The credit risk on loans is limited because this account represents loans to employees under welfare program, with full collateral. In case of default, the Company has the right to proceed legal actions to foreclose the collateral to repay the loans.

4.2.3 Exchange rate risk

The Company has brokerage service for securities listed in stock exchange in overseas. However, foreign exchange risk of the Company is limited because majority of financial assets and financial liabilities denominated in foreign currency belong to clients. In addition, the Company places foreign currency deposit with foreign brokers to reduce risk of exchange rate fluctuation.

As at June 30, 2024 and December 31, 2023, the Company's financial assets and liabilities balances are exposed to foreign exchange risk which are stated in Baht equivalents as follows:

Currencies	Financial assets		Financial liabilities		Average exchange rates	
	As at	As at	As at	As at	As at	As at
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	(Baht per foreign currency unit)					
Japanese yen	35,455,629	82,525,978	33,251,420	82,303,704	0.2290	0.2423
Hong Kong dollar	2,476,248	2,306,417	1,908,471	2,300,566	4.7208	4.3820
Singapore dollar	22,513	88,217	12,275	87,695	27.1376	25.9733
United States dollar	2,815,599	1,537,468	2,990,784	1,518,368	36.8497	34.2233
Australia dollar	12,568	3,738	1,450	727	24.4252	23.4595
United Kingdom pound	4,646	530	-	68	46.5561	43.8440
Euro	14,018	101,152	8,957	101,100	39.4007	38.0334
Canada dollar	12,588	12	-	-	26.8597	25.9300
Laos kip	-	79,834	-	-	0.0017	0.0017
China Yuan	12,141	-	10,244	9,820	5.0581	4.8071
Vietnamese dong	143,288,111	2,385,365,177	121,539,825	2,359,547,561	0.0014	0.0014
Malasia Ringgit	-	-	69,521	-	7.8106	7.4168

4.3 Market risk

The Company's exposure to market situation risk is the risk that volatility on market price of securities and/or derivatives will substantially reduce the value of the Company's investments. However, the Company manages such risk at acceptable levels through risk management policies, and establishment of proper risk limits and parameters, as well as a market risk monitoring function.

4.4 Fair Value

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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets or financial liabilities which are measured at fair value at the end of the reporting period.

	Fair value as at		Fair value hierarchy
	June 30, 2024	December 31, 2023 (Restated)	
	Baht	Baht	
Financial assets			
Derivatives assets	24,961,710	24,738,550	Level 1
Investments, fair value through profit or loss	426,302,441	517,921,250	Level 1
Investments, fair value through other comprehensive income	20,927,750	20,148,575	Level 3
Receivables under securities borrowing and lending business	342,728,262	361,792,893	Level 1
Financial liabilities			
Derivatives liabilities	211,000	503,600	Level 1
Payables under securities borrowing and lending business	345,778,262	390,592,893	Level 1

Financial assets or financial liabilities which are not measured at fair value are summarized as follows:

	As at June 30, 2024	
	Carrying amount	Their carrying amounts are considered as a reasonable approximate of fair value
	Baht	Baht
Financial assets		
Cash and cash equivalents	310,235,699	310,235,699
Receivables from Clearing House and broker - dealers	58,179,831	58,179,831
Securities and derivative business receivables	11,239,531,130	11,239,531,130
Financial liabilities		
Borrowing from financial institutions	3,950,000,000	3,950,000,000
Payables to Clearing House and broker - dealers	484,739,118	484,739,118
Securities and derivative business payables	1,645,070,311	1,645,070,311
Lease liabilities	168,828,637	168,828,637

	As at December 31, 2023 (Restated)	
	Carrying amount	Their carrying amounts are considered as a reasonable approximate of fair value
	Baht	Baht
Financial assets		
Cash and cash equivalents	687,780,988	687,780,988
Receivables from Clearing House and broker - dealers	1,006,356,194	1,006,356,194
Securities and derivative business receivables	11,648,877,729	11,648,877,729
Financial liabilities		
Borrowing from financial institutions	4,050,000,000	4,050,000,000
Payables to Clearing House and broker - dealers	310,130,710	310,130,710
Securities and derivative business payables	2,229,830,930	2,229,830,930
Lease liabilities	225,043,864	225,043,864

Valuation technique for financial assets and financial liabilities not measured at fair value is as follows:

Cash and cash equivalents, receivables from Clearing House and broker - dealers, securities and derivatives business receivables, borrowing from financial institutions, payables to Clearing House and broker - dealers, securities and derivatives business payables and lease liabilities, the carrying values approximate their fair values which presented in the statement of financial position.

5. DETAILS OF THE SIGNIFICANT TRANSACTIONS

5.1 Supplementary disclosures of cash flow information

5.1.1 Cash payments for purchases of equipment and intangible assets for the six-month periods ended June 30, are as follows:

	2024	2023
		(Restated)
	Baht	Baht
Payables for purchase of equipment and intangible assets (Other liabilities) - beginning balance	7,311,879	518,355
Transferring of payables for purchase of equipment and intangible assets from the business transfer on March 7, 2023	-	3,110,799
Purchases of equipment and intangible assets	4,195,672	21,846,138
<u>Less</u> Cash payments for purchase of equipment and intangible assets	<u>(8,952,880)</u>	<u>(24,721,535)</u>
Payables for purchase of equipment and intangible assets (Other liabilities) - ending balance	<u>2,554,671</u>	<u>753,757</u>

5.1.2 Changes in liabilities arising from financing activities for the six-month periods ended June 30, are as follows:

	2024	2023
		(Restated)
	Baht	Baht
Beginning balance	4,275,043,864	518,781,546
Transferring of liabilities arising from the business transfer on March 7, 2023	-	5,357,835,126
Financing activities cash flows	(135,599,913)	(1,028,449,760)
Addition (decrease) during the periods	(23,470,422)	52,248,350
Other non-cash items	2,855,108	1,786,197
Ending balance	<u>4,118,828,637</u>	<u>4,902,201,459</u>

5.2 Cash and cash equivalents

Cash and cash equivalents are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Cash	157,000	162,500
Deposits as current and savings accounts and certificate of deposit matured within 3 months	2,446,826,651	2,675,352,684
<u>Less</u> Deposit accounts for the customers*	(2,136,747,952)	(1,987,697,683)
Allowance for expected credit losses	-	(36,513)
Total cash and cash equivalents	<u>310,235,699</u>	<u>687,780,988</u>

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

5.3 Receivables from Clearing House and broker - dealers

Receivables from Clearing House and broker - dealers are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Receivables from Clearing House	113,571,871	1,098,009,756
Receivables from foreign broker denominated in foreign currency	<u>497,851,564</u>	<u>578,210,628</u>
	611,423,435	1,676,220,384
<u>Less</u> Receivables from Clearing House for the customers *	(57,005,831)	(93,723,070)
Receivables from foreign broker for the customers denominated in foreign currency*	<u>(496,237,773)</u>	<u>(576,141,120)</u>
Total receivables from Clearing House and broker - dealers	<u>58,179,831</u>	<u>1,006,356,194</u>

* Receivables from Clearing House for the customers is not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Committee.

5.4 Securities and derivatives business receivables

Securities and derivatives business receivables are as follows:

	As at June 30, 2024 Baht	As at December 31, 2023 (Restated) Baht
<u>Securities business receivables</u>		
Clients' accounts - cash	1,973,982,522	1,390,536,083
Securities business loans	7,970,125,111	8,948,240,717
Guaranteed deposit receivables	379,382,262	411,691,173
Receivables under securities borrowing and lending business	342,728,262	361,792,893
Other receivables *	916,041,235	898,409,756
Total securities business receivables	<u>11,582,259,392</u>	<u>12,010,670,622</u>
<u>Add</u> Accrued interest receivables	36,779,186	42,573,252
<u>Less</u> Allowance for expected credit losses (Note 5.5)	<u>(940,028,652)</u>	<u>(898,409,756)</u>
Total securities and derivatives business receivables	<u>10,679,009,926</u>	<u>11,154,834,118</u>

- * Other receivable represents the amount due from a customer who conducted irregular trading transactions of shares of a listed company that occurred on November 10, 2022, and in which the Company did not accept the validity of these disrupted transactions. The Company is one of several securities companies affected by such transactions. In the regarding, the Company and other securities companies filed complaints to prosecute the debtor and perpetrators as a criminal case with the Economic Crime Suppression "ECD". The case is currently undergoing investigation and legal proceedings by all relevant regulators. However, to comply with the Thai Financial Reporting Standards and the Company's accounting policy, the Company has therefore classified such debtor as a non-performing debt and set aside an allowance for expected credit losses as at June 30, 2024 and December 31, 2023, amounting to Baht 897.88 million.

The Company classified securities and derivative business receivables including related accrued interest receivables and allowance for expected credit loss. The classification was as follows:

	As at June 30, 2024		
	Securities business receivables and derivatives business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
	Thousand Baht	Thousand Baht	Thousand Baht
<u>Securities business receivables</u>			
Performing debts	10,488,908	10,488,908	(38,000)
Under-performing debts	205,432	205,432	-
Non-performing debts	924,699	924,699	(902,029)
Total securities business receivables	11,619,039	11,619,039	(940,029)

	As at December 31, 2023		
	(Restated)		
	Securities business receivables and derivatives business receivables and accrued interest receivables	Exposure at default	Allowance for expected credit loss
	Thousand Baht	Thousand Baht	Thousand Baht
<u>Securities business receivables</u>			
Performing debts	11,140,858	10,353,221	-
Under-performing debts	13,976	13,976	-
Non-performing debts	898,410	898,410	(898,410)
Total securities business receivables	12,053,244	11,265,607	(898,410)

As at June 30, 2024 and December 31, 2023, the Company provided allowance for expected credit losses of Baht 940.03 million and Baht 898.41 million, respectively.

As at June 30, 2024 and December 31, 2023, guaranteed deposit receivables of approximately Baht 379.38 million and Baht 411.69 million, respectively represent cash paid to secure the borrowing of securities for securities borrowing and lending transactions, and the fair value of the securities borrowed is approximately Baht 342.73 million and Baht 361.79 million, respectively.

5.5 Allowance for expected credit losses

Allowances for expected credit losses consists of the following:

	As at June 30, 2024			Total Thousand Baht
	Allowance for performing Thousand Baht	Allowance for under-performing Thousand Baht	Allowance for non-performing Thousand Baht	
<u>Cash and cash equivalents</u>				
Beginning balance	37	-	-	37
Expected credit losses	(37)	-	-	(37)
Ending balance	-	-	-	-
<u>Securities business receivables</u>				
Beginning balance	-	-	898,410	898,410
Change in transfer between stage	-	-	-	-
Change in allowance for expected credit loss during the period	-	-	41,677	41,677
Recoveries	-	-	(58)	(58)
Ending balance	-	-	940,029	940,029
Total	-	-	940,029	940,029

	As at December 31, 2023 (Restated)			Total Thousand Baht
	Allowance for performing Thousand Baht	Allowance for under-performing Thousand Baht	Allowance for non-performing Thousand Baht	
<u>Cash and cash equivalents</u>				
Beginning balance	213	-	-	213
Expected credit losses	(176)	-	-	(176)
Ending balance	37	-	-	37
<u>Securities business receivables</u>				
Beginning balance	-	-	904,079	904,079
Change in transfer between stage	-	-	-	-
Change in allowance for expected credit loss during the years	-	-	13	13
Written-off	-	-	(5,560)	(5,560)
Recoveries	-	-	(122)	(122)
Ending balance	-	-	898,410	898,410
Total	37	-	898,410	898,447

The Company included an allowance for expected credit loss from the reserve of management overlay for loan commitments of securities business loans and derivative business receivables in the provision for loan commitments and financial guarantee contracts.

5.6 Derivatives assets and liabilities

Derivative assets and liabilities, consisted of the following:

	As at June 30, 2024			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
	Baht	Baht	Baht	Baht
Type of risk				
Equity price				
- Futures ^[1]	24,961,710	444,275,910	211,000	10,790,000
Total	24,961,710	444,275,910	211,000	10,790,000

	As at December 31, 2023 (Restated)			
	Assets		Liabilities	
	Fair value	Notional amount	Fair value	Notional amount
	Baht	Baht	Baht	Baht
Type of risk				
Equity price				
- Futures ^[1]	24,738,550	540,848,600	503,600	32,630,600
Total	24,738,550	540,848,600	503,600	32,630,600

^[1] Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level.

Proportion of the notional derivative transactions classified by type of contractual parties

	As at June 30, 2024		As at December 31, 2023 (Restated)	
	Proportion based on contract amount		Proportion based on contract amount	
	Assets	Liabilities	Assets	Liabilities
	(percent)	(percent)	(percent)	(percent)
Type of parties				
Clearing House	100	100	100	100
Total	100	100	100	100

5.7 Non-collateralized investments

Non-collateralized investments are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Fair value/ Amortized cost Baht	Fair value/ Amortized cost Baht
<u>Fair value</u>		
Investments, fair value through profit or loss		
Equity securities		
Listed securities	426,302,441	517,921,250
Total	<u>426,302,441</u>	<u>517,921,250</u>
Investments, fair value through other comprehensive income		
Equity securities		
Ordinary shares	20,927,750	20,148,575
Total	<u>20,927,750</u>	<u>20,148,575</u>
<u>Amortized cost</u>		
Fixed deposit	1,100,000,000	1,150,000,000
Treasury bill	2,492,510,352	2,220,664,895
<u>Less Investments held for customers*</u>	<u>(3,585,998,366)</u>	<u>(3,363,120,130)</u>
Total	<u>6,511,986</u>	<u>7,544,765</u>
Total investments	<u>453,742,177</u>	<u>545,614,590</u>

* Investments for the customers are not shown as assets and liabilities in the financial statements according to the Notification of the Office of the Securities and Exchange Committee.

Investments in deposits at financial institutions and investments in debt securities classified by remaining periods of contracts, consisted of the following:

	As at June 30, 2024			
	Due within			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Fixed deposit	1,100,000,000	-	-	1,100,000,000
Treasury bill	2,492,510,352	-	-	2,492,510,352
<u>Less Investments for customer's accounts</u>	<u>(3,585,998,366)</u>	<u>-</u>	<u>-</u>	<u>(3,585,998,366)</u>
Total	<u>6,511,986</u>	<u>-</u>	<u>-</u>	<u>6,511,986</u>
	As at December 31, 2023 (Restated)			
	Due within			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Fixed deposit	1,150,000,000	-	-	1,150,000,000
Treasury bill	2,220,664,895	-	-	2,220,664,895
<u>Less Investments for customer's accounts</u>	<u>(3,363,120,130)</u>	<u>-</u>	<u>-</u>	<u>(3,363,120,130)</u>
Total	<u>7,544,765</u>	<u>-</u>	<u>-</u>	<u>7,544,765</u>

Investment in equity instruments designated at FVOCI are as follow:

As at June 30, 2024				
Investments	Reason for use of alternative in presentation as mentioned	Fair value	Dividend received	Retained earnings or retained losses transferred in owner's equity
		Baht	Baht	Baht
TRIS Corporation Limited	Intention to held in long-term period	9,259,898	470,000	-
Tawana Hotel Co., Ltd.	Intention to held in long-term period	-	-	-
TSFC Securities Public Company Limited	Intention to held in long-term period	10,161,070	174,064	-
ASCO Business Promotion Company Limited	Intention to held in long-term period	1,506,782	-	-
Total		20,927,750	644,064	-

As at December 31, 2023				
(Restated)				
Investments	Reason for use of alternative in presentation as mentioned	Fair value	Dividend received	Retained earnings or retained losses transferred in owner's equity
		Baht	Baht	Baht
TRIS Corporation Limited	Intention to held in long-term period	8,544,423	470,000	-
Tawana Hotel Co., Ltd.	Intention to held in long-term period	-	-	-
TSFC Securities Public Company Limited	Intention to held in long-term period	10,095,575	248,663	-
ASCO Business Promotion Company Limited	Intention to held in long-term period	1,508,577	-	-
Total		20,148,575	718,663	-

5.8 Premises and Equipment

Premises and Equipment consists of the following:

	Balance as at January 1, 2024 (Restated) Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	Balance as at June 30, 2024 Baht
Cost					
Condominium	99,041,571	-	-	-	99,041,571
Furniture and fixtures	28,343,776	1,213	(454,078)	-	27,890,911
Office equipment	47,675,228	304,042	(4,447,034)	-	43,532,236
Computer	290,100,600	275,647	(7,069,441)	2,809,055	286,115,861
Leasehold improvement	157,399,527	7,742	(1,811,308)	-	155,595,961
Dismantling and removing costs	26,131,790	-	-	-	26,131,790
Motor vehicles	20,609,446	-	-	-	20,609,446
Total cost	669,301,938	588,644	(13,781,861)	2,809,055	658,917,776
Accumulated depreciation					
Condominium	(18,441,571)	(2,115,697)	-	-	(20,557,268)
Furniture and fixtures	(27,831,125)	(238,232)	453,973	-	(27,615,384)
Office equipment	(45,068,323)	(433,065)	4,445,262	-	(41,056,126)
Computer	(231,063,476)	(21,253,209)	7,069,337	-	(245,247,348)
Leasehold improvement	(155,254,040)	(305,609)	1,811,302	-	(153,748,347)
Dismantling and removing costs	(24,661,116)	(374,706)	-	-	(25,035,822)
Motor vehicles	(12,409,443)	-	-	-	(12,409,443)
Total accumulated depreciation	(514,729,094)	(24,720,518)	13,779,874	-	(525,669,738)
Premises and equipment - net					
Construction in progress	3,120,285	-	(311,230)	(2,809,055)	-
Premises and equipment	157,693,129				133,248,038

	Balance as at January 1, 2023 Baht	Additions From Business transfer on March 7, 2023* Baht	Additions (Restated) Baht	Disposals (Restated) Baht	Transfer in/ (Transfer out) (Restated) Baht	Balance as at December 31, 2023 (Restated) Baht
Cost						
Condominium	-	99,041,571	-	-	-	99,041,571
Furniture and fixtures	9,577,313	24,901,470	321,720	(6,456,727)	-	28,343,776
Office equipment	14,597,261	57,643,778	1,001,413	(25,567,224)	-	47,675,228
Computer	78,383,944	380,268,552	20,652,918	(189,204,814)	-	290,100,600
Leasehold improvement	43,525,068	113,407,640	466,819	-	-	157,399,527
Dismantling and removing costs	11,404,000	13,000,000	1,727,790	-	-	26,131,790
Motor vehicles	-	24,448,946	-	(3,839,500)	-	20,609,446
Total cost	157,487,586	712,711,957	24,170,660	(225,068,265)	-	669,301,938
Accumulated depreciation						
Condominium	-	(18,441,571)	-	-	-	(18,441,571)
Furniture and fixtures	(9,319,251)	(24,113,510)	(854,901)	6,456,537	-	(27,831,125)
Office equipment	(13,864,251)	(56,007,971)	(692,397)	25,496,296	-	(45,068,323)
Computer	(64,877,663)	(311,858,499)	(43,514,642)	189,187,328	-	(231,063,476)
Leasehold improvement	(41,956,967)	(112,696,196)	(600,877)	-	-	(155,254,040)
Dismantling and removing costs	(10,448,938)	(13,000,000)	(1,212,178)	-	-	(24,661,116)
Motor vehicles	-	(14,632,396)	(116,546)	2,339,499	-	(12,409,443)
Total accumulated depreciation	(140,467,070)	(550,750,143)	(46,991,541)	223,479,660	-	(514,729,094)
Premises and equipment - net						
Construction in progress	-	2,338,581	781,704	-	-	3,120,285
Premises and equipment	17,020,516	164,300,395				157,693,129

* Assets acquired from business combinations under common control and retrospectively adjusted the financial statements from business under common control (see Note 3).

	For the six-month periods ended June 30,	
	2024	2023 (Restated)
	Baht	Baht
Depreciation	24,720,518	20,552,112

As at June 30, 2024 and December 31, 2023, costs of fully depreciated assets but still in use are Baht 411.37 million and Baht 402.28 million, respectively.

5.9 Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities are as follows:

5.9.1 Right-of-use assets

	Balances as at January 1, 2024 (Restated)	Additions	Decreases	Decreases From lease modification	Balances as at June 30, 2024
	Baht	Baht	Baht	Baht	Baht
	Cost				
Buildings	299,914,176	2,291,158	(4,777,582)	(29,955,368)	267,472,384
Office equipment	5,452,079	-	(1,985,707)	175	3,466,547
Vehicles	41,418,047	4,858,579	-	214	46,276,840
Total cost	<u>346,784,302</u>	<u>7,149,737</u>	<u>(6,763,289)</u>	<u>(29,954,979)</u>	<u>317,215,771</u>
Accumulated depreciation					
Buildings	(124,337,750)	(26,785,852)	4,771,728	-	(146,351,874)
Office equipment	(2,876,528)	(1,097,719)	1,361,686	-	(2,612,561)
Vehicles	(6,807,300)	(4,635,071)	-	-	(11,442,371)
Total accumulated depreciation	<u>(134,021,578)</u>	<u>(32,518,642)</u>	<u>6,133,414</u>	<u>-</u>	<u>(160,406,806)</u>
Right-of-use assets	<u>212,762,724</u>				<u>156,808,965</u>
	Balances as at January 1, 2023	Additions From business transfer on March 7, 2023*	Additions (Restated)	Decreases (Restated)	Balances as at December 31, 2023 (Restated)
	Baht	Baht	Baht	Baht	Baht
	Cost				
Buildings	62,950,406	230,286,535	66,377,837	(59,700,602)	299,914,176
Office equipment	-	5,462,472	1,985,707	(1,996,100)	5,452,079
Vehicles	9,637,761	-	41,418,047	(9,637,761)	41,418,047
Total cost	<u>72,588,167</u>	<u>235,749,007</u>	<u>109,781,591</u>	<u>(71,334,463)</u>	<u>346,784,302</u>
Accumulated depreciation					
Buildings	(48,333,556)	(85,804,614)	(49,900,182)	59,700,602	(124,337,750)
Office equipment	-	(2,249,795)	(2,622,833)	1,996,100	(2,876,528)
Vehicles	(5,831,757)	-	(9,427,146)	8,451,603	(6,807,300)
Total accumulated depreciation	<u>(54,165,313)</u>	<u>(88,054,409)</u>	<u>(61,950,161)</u>	<u>70,148,305</u>	<u>(134,021,578)</u>
Right-of-use assets	<u>18,422,854</u>	<u>147,694,598</u>			<u>212,762,724</u>

* Assets acquired from business combinations under common control and retrospectively adjusted the financial statements from business under common control (see Note 3).

	For the six-month periods ended June 30,	
	2024	2023 (Restated)
	Baht	Baht
Depreciation	32,518,642	27,208,168

The Company leases several assets including buildings, equipment, and vehicles. The average lease term is 3 years. All expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of Baht 7.15 million in 2024 and Baht 65.08 million in 2023.

For the six-month periods ended June 30, 2024 and 2023, the Company recognized expenses relating to leases of low-value assets in the statements of comprehensive income of Baht 0.19 million and Baht 0.26 million, respectively.

For the six-month periods ended June 30, 2024 and 2023, the total cash outflow for leases amount to Baht 35.60 million and Baht 28.45 million, respectively.

5.9.2 Lease liabilities

Lease liabilities are as follows:

	As at	As at
	June 30, 2024	December 31, 2023 (Restated)
	Baht	Baht
Lease liabilities	175,666,754	236,337,385
<u>Less</u> Deferred interest	<u>(6,838,117)</u>	<u>(11,293,521)</u>
Total	<u>168,828,637</u>	<u>225,043,864</u>

The undiscounted maturity analysis of lease liabilities are as follows:

	As at	As at
	June 30, 2024	December 31, 2023 (Restated)
	Baht	Baht
Lease liabilities		
Within 1 year	57,468,968	65,588,485
Over 1 year and up to 5 years	110,741,511	157,624,594
Over 5 years	<u>618,158</u>	<u>1,830,785</u>
Total	<u>168,828,637</u>	<u>225,043,864</u>

For the six-month periods ended June 30, 2024 and 2023, the Company recognized interest expense on lease liabilities in the statements of comprehensive income of Baht 2.86 million and Baht 1.79 million, respectively.

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

5.10 Intangible assets

Intangible assets consists of the following:

	Remaining useful life	Balance as at January 1, 2024 (Restated) Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	Balance as at June 30, 2024 Baht	
Cost							
Computer software	0 - 5 years	192,724,795	2,403,032	(16,467,826)	2,401,138	181,061,139	
TFEX membership fee		3,912,329	-	-	-	3,912,329	
Settrade One Click fee		519,740	-	-	-	519,740	
Intangible assets (Customer list)	10 years	53,000,000	-	-	-	53,000,000	
Total cost		<u>250,156,864</u>	<u>2,403,032</u>	<u>(16,467,826)</u>	<u>2,401,138</u>	<u>238,493,208</u>	
Accumulated amortization							
Computer software		(140,170,981)	(9,935,626)	15,865,335	-	(134,241,272)	
Intangible assets (Customer list)		(4,416,667)	(2,650,000)	-	-	(7,066,667)	
Total accumulated amortization		<u>(144,587,648)</u>	<u>(12,585,626)</u>	<u>15,865,335</u>	<u>-</u>	<u>(141,307,939)</u>	
Computer software under installation		8,466,715	1,203,996	-	(2,401,138)	7,269,573	
Intangible assets		<u>114,035,931</u>				<u>104,454,842</u>	
	Remaining useful life	Balance as at January 1, 2023	Additions From Business transfer on March 7, 2023* Baht	Additions (Restated) Baht	Disposals (Restated) Baht	Transfer in/ (Transfer out) (Restated) Baht	Balance as at December 31, 2023 (Restated) Baht
Cost							
Computer software	0 - 5 years	84,928,262	91,196,003	10,574,026	-	6,026,504	192,724,795
TFEX membership fee		3,912,329	-	-	-	-	3,912,329
Settrade One Click fee		519,740	-	-	-	-	519,740
Intangible assets (Customer list)	10 years	-	53,000,000	-	-	-	53,000,000
Total cost		<u>89,360,331</u>	<u>144,196,003</u>	<u>10,574,026</u>	<u>-</u>	<u>6,026,504</u>	<u>250,156,864</u>
Accumulated amortization							
Computer software		(66,080,181)	(55,384,846)	(18,705,954)	-	-	(140,170,981)
Intangible assets (Customer list)		-	-	(4,416,667)	-	-	(4,416,667)
Total accumulated amortization		<u>(66,080,181)</u>	<u>(55,384,846)</u>	<u>(23,122,621)</u>	<u>-</u>	<u>-</u>	<u>(144,587,648)</u>
Computer software under installation		2,090,684	9,543,841	2,858,694	-	(6,026,504)	8,466,715
Intangible assets		<u>25,370,834</u>	<u>98,354,998</u>				<u>114,035,931</u>

* Assets acquired from business combinations under common control and retrospectively adjusted the financial statements from business under common control (see Note 3).

	For the six-month periods ended June 30,	
	2024	2023
	(Restated)	
	Baht	Baht
Amortization	12,585,626	9,943,858

As at June 30, 2024 and December 31, 2023, costs of fully amortized intangible assets but still in use are Baht 84.37 million and Baht 58.40 million, respectively.

5.11 Deferred tax

Movements in deferred tax during the period/year are as follows:

	For the six-month period ended June 30, 2024			
	As at January 1, 2024	Items as recognized into profit or loss	Items as recognized into other comprehensive income (loss)	As at June 30, 2024
	(Restated) Baht	Baht	Baht	Baht
Deferred tax assets				
Temporary differences				
Amortization - computer software	3,192,973	5,089,509	-	8,282,482
Amortization for impairment of property foreclosed	1,444,640	-	-	1,444,640
Allowance for expected credit loss	55,192,618	90,870	-	55,283,488
Employee benefits obligation	34,774,057	(20,213,660)	-	14,560,397
Accrued employee expenses	6,003,234	(6,003,234)	-	-
Dismantling and removing costs	5,782,724	-	-	5,782,724
Loss on changing in fair value through other comprehensive income	4,679	1,747,942	359	1,752,980
Lease liabilities	45,008,773	(11,243,046)	-	33,765,727
Deferred tax assets - Others	6,938,973	(6,938,973)	-	-
Total	158,342,671	(37,470,592)	359	120,872,438
Deferred tax liabilities				
Temporary differences				
Gain on changing in fair value through profit or loss	87,322	(80,642)	-	6,680
Amortization - intangible assets	886,413	-	-	886,413
Appraisal surplus of condominium	15,267,374	(400,775)	-	14,866,599
Appraisal surplus of intangible assets	9,716,666	(530,000)	-	9,186,666
Provisions for decommissioning cost	294,135	12,291	-	306,426
Right-of-use assets	42,552,545	(11,190,752)	-	31,361,793
Gain on changing in fair value through other comprehensive income	340,058	1,627,942	156,194	2,124,194
Deferred tax liabilities - Others	2,847,318	(2,847,318)	-	-
Total	71,991,831	(13,409,254)	156,194	58,738,771
Deferred tax assets - net	86,350,840	(24,061,338)	(155,835)	62,133,667

	For the year ended December 31, 2023				
	As at January 1, 2023	Additions From business transfer on March 7, 2023*	Items as recognized into profit or loss (Restated)	Items as recognized into other comprehensive income (loss) (Restated)	As at December 31, 2023 (Restated)
	Baht	Baht	Baht	Baht	Baht
Deferred tax assets					
Temporary differences resulting from					
Amortization - computer software	2,987,896	-	205,077	-	3,192,973
Amortization for impairment of property foreclosed	-	1,444,640	-	-	1,444,640
Allowance for expected credit loss	60,422,973	1,194,739	(6,425,094)	-	55,192,618
Employee benefits obligation	15,659,102	26,511,393	4,267,118	(11,663,556)	34,774,057
Accrued employee expenses	-	11,026,065	(5,022,831)	-	6,003,234
Dismantling and removing costs	2,280,800	3,156,366	345,558	-	5,782,724
Loss on changing in fair value through other comprehensive income	4,462	-	-	217	4,679
Lease liabilities	3,756,309	32,086,516	9,165,948	-	45,008,773
Deferred tax assets - Others	-	8,163,421	(1,224,448)	-	6,938,973
Total	85,111,542	83,583,140	1,311,328	(11,663,339)	158,342,671
Deferred tax liabilities					
Temporary differences resulting from					
Gain on changing in fair value through profit or loss	1,325,610	-	(1,238,288)	-	87,322
Amortization - intangible assets	886,413	-	-	-	886,413
Appraisal surplus of condominium	-	15,267,374	-	-	15,267,374
Appraisal surplus of intangible assets	-	10,600,000	(883,334)	-	9,716,666
Dismantling and removing costs	191,012	-	103,123	-	294,135
Right of use asset	3,684,571	30,129,037	8,738,937	-	42,552,545
Gain on changing in fair value through other comprehensive income	310,402	-	-	29,656	340,058
Deferred tax assets - Others	-	141,320	2,705,998	-	2,847,318
Total	6,398,008	56,137,731	9,426,436	29,656	71,991,831
Deferred tax assets - net	78,713,534	27,445,409	(8,115,108)	(11,692,995)	86,350,840

* Assets acquired from business combinations under common control and retrospectively adjusted the financial statements from business under common control (see Note 3).

5.12 Other assets

Other assets are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Property foreclosed	42,851,200	42,851,200
<u>Less Allowance for impairment</u>	<u>(7,223,200)</u>	<u>(7,223,200)</u>
Property foreclosed - net	35,628,000	35,628,000
Loans to employees	36,541,411	40,597,763
Deposits	20,673,380	22,421,271
Member Account Clearing Fund	171,622,231	214,841,126
Prepaid expenses	67,404,492	58,230,492
Accrued interest receivables	32,860,514	25,155,749
Withholding tax	8,875,572	6,574,185
Other assets	9,155,970	11,192,431
Total	382,761,570	414,641,017

Loans to employees are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Thousand Baht	Thousand Baht
Loans that the credit risk has not increased significantly		
Not over 1 year	420	1,060
Over 1 year	36,121	39,538
Total	<u>36,541</u>	<u>40,598</u>

5.13 Borrowings from financial institutions

Borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

	Interest rate per annum (percent)	As at June 30, 2024			
		Remaining period to maturity			
		At call	Less than 1 year	1 - 5 years	Total
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Borrowings					
Borrowings from financial institutions	2.98 - 3.08	-	3,950,000	-	3,950,000
Total borrowings from financial institutions		<u>-</u>	<u>3,950,000</u>	<u>-</u>	<u>3,950,000</u>

	Interest rate per annum (percent)	As at December 31, 2023 (Restated)			
		Remaining period to maturity			
		At call	Less than 1 year	1 - 5 years	Total
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Borrowings					
Borrowings from financial institutions	2.27 - 3.25	-	4,050,000	-	4,050,000
Total borrowings from financial institutions		<u>-</u>	<u>4,050,000</u>	<u>-</u>	<u>4,050,000</u>

5.14 Payables from Clearing House and broker - dealers

Payables from Clearing House and broker - dealers are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Payables from Clearing House	479,963,785	307,309,865
Payables from foreign broker	4,775,333	2,820,845
Total payables from Clearing House and broker - dealers	<u>484,739,118</u>	<u>310,130,710</u>

5.15 Securities and Derivatives Business Payables

Securities and derivatives business payables consisted of the following:

	As at June 30, 2024 Baht	As at December 31, 2023 (Restated) Baht
<u>Securities business payables</u>		
Cash accounts	1,480,149,951	1,890,183,623
Guarantee deposit payables	164,920,360	339,647,307
Payable under securities borrowing and lending business	345,778,262	390,592,893
Total securities business payables	<u>1,990,848,573</u>	<u>2,620,423,823</u>

5.16 Provision for liabilities

Provision for liabilities are as follows:

	As at June 30, 2024 Thousand Baht	As at December 31, 2023 (Restated) Thousand Baht
Short-term employee benefits obligation	3,390	2,448
Employee benefit obligation	170,828	172,103
Provision for dismantling and removing	28,913	28,913
Provision for loan commitments and financial guarantee contracts	899	2,087
Total	<u>204,030</u>	<u>205,551</u>

The Company included an allowance for expected credit loss from the reserve of management overlay for loan commitments of securities business loans and derivative business receivables in the provision for loan commitments and financial guarantee contracts.

5.16.1 Employee benefits obligation

The Company operates post-employment benefit plans under the Thai Labor Protection Act. Amounts recognized in statements of comprehensive income in respect of the defined benefit plans are as follows:

	For the six-month periods ended June 30,	
	2024 Baht	2023 (Restated) Baht
Current service cost	7,816,422	7,966,786
Interest cost	2,151,271	1,838,094
	<u>9,967,693</u>	<u>9,804,880</u>

Movements in the present value of the defined benefits obligation are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Opening defined benefit obligations	172,102,699	76,543,708
Additions from business transfer on March 7, 2023 *	-	129,912,813
Current service cost	7,816,422	25,664,709
Interest cost	2,151,271	4,424,900
The adjustments from employee transferring	(6,552,843)	-
Actuarial gain due to experience adjustments	-	(17,069,263)
Actuarial gain arising from changes in financial assumptions	-	(6,314,390)
Actuarial gain arising from changes in demographic assumption	-	(34,934,131)
Benefit paid	(4,690,022)	(6,125,647)
Closing defined benefit obligations	<u>170,827,527</u>	<u>172,102,699</u>

* Assets acquired from business combinations under common control and retrospectively adjusted the financial statements from business under common control (see Note 3).

The principle actuarial assumptions used to calculate the obligation under the defined benefit plans are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	%	%
Financial assumptions		
Discount rate	2.37 - 4.68	2.37 - 4.68
Inflation rate	2.00	2.00
Rate of salary increase	5.50	5.50
Average turnover rate	4.00 - 20.00	4.00 - 20.00
	Annum based on employee's ages	Annum based on employee's ages

Significant actuarial assumptions - impact on increase/(decrease) in defined benefit obligation are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Discount rate - 1% increase	(12,591,436)	(12,457,037)
Discount rate - 1% decrease	14,330,738	14,211,270
Rate of salary increase - 1% increase	15,544,657	13,710,919
Rate of salary increase - 1% decrease	(13,883,848)	(12,282,971)
Average turnover rate - 1% increase	(15,254,111)	(13,401,877)
Average turnover rate - 1% decrease	18,103,413	15,808,896

5.16.2 Provision for loan commitments and financial guarantee contracts are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Thousand Baht	Thousand Baht
Beginning balance	2,087	3,342
Change in ECL during the period/year	<u>(1,188)</u>	<u>(1,255)</u>
Ending balance	<u>899</u>	<u>2,087</u>

5.17 Other liabilities

Other liabilities are as follows:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Thousand Baht	Thousand Baht
Accrued staff's bonus expenses	42,316	49,571
Accrued staff's commission expenses	23,524	20,973
Accrued expenses	49,278	34,570
Other liabilities	<u>102,209</u>	<u>76,051</u>
Total	<u>217,327</u>	<u>181,165</u>

5.18 Share Capital

On March 27, 2024, the Annual General Meeting of the Company's shareholders passed the resolution to approve an increase in the Company's registered share capital from Baht 1,350 million (135,000,000 Ordinary shares with a par value of Baht 10 per each) to Baht 5,550 million (555,000,000 Ordinary shares with a par value of Baht 10 per each) by issuing 420 million newly issued ordinary shares with a par value of Baht 10 per share to be allotted to the existing shareholders in proportion to their existing shareholding and offer price of Baht 10 per share.

The Company received cash for share subscriptions Baht 4,200 million and the Company registered an increase in its register share capital with the Ministry of Commerce on April 30, 2024.

5.19 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5% of its net income after retained deficit brought forward (if any) until the reserve is not less than 10% of registered capital. The reserve is not available for dividend distribution.

5.20 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 in accordance with the rules laid down by the Office of the Securities and Exchange Commission. The Company specifies the scope of transaction. Thus, the Risk Management Department is assigned to be responsible for closely monitoring NCR figures. During the year, the Company can maintain net capital ratio in accordance with the rules.

5.21 Brokerage fees income

Brokerage fees income for the six-month periods ended June 30, consists of the following:

	2024		
	Timing of revenue recognition		
	At a point in time Baht	Overtime Baht	Total Baht
Brokerage fees from securities business	303,781,223	-	303,781,223
Brokerage fees from derivatives business	33,083,191	-	33,083,191
Total	336,864,414	-	336,864,414
	2023 (Restated)		
	Timing of revenue recognition		
	At a point in time Baht	Overtime Baht	Total Baht
Brokerage fees from securities business	292,599,082	-	292,599,082
Brokerage fees from derivatives business	45,474,850	-	45,474,850
Total	338,073,932	-	338,073,932

5.22 Fees and services income

Fees and services income for the six-month periods ended June 30, consists of the following:

	2024		
	Timing of revenue recognition		
	At a point in time Baht	Overtime Baht	Total Baht
Underwriting fee	19,032,459	-	19,032,459
Financial advisory	-	1,900,000	1,900,000
Management fees - private fund	-	353,128	353,128
Mutual funds selling agent fee	133,491,590	-	133,491,590
Receive/payment fee	1,466,710	-	1,466,710
Securities borrowing and lending	-	7,182,957	7,182,957
Others	2,241,090	-	2,241,090
Total	156,231,849	9,436,085	165,667,934

	2023 (Restated)		
	Timing of revenue recognition		
	At a point in time Baht	Overtime Baht	Total Baht
Underwriting fee	5,245,105	-	5,245,105
Financial advisory	-	1,600,000	1,600,000
Management fees - private fund	-	4,806,658	4,806,658
Mutual funds selling agent fee	80,599,490	-	80,599,490
Receive/payment fee	1,408,886	-	1,408,886
Securities borrowing and lending	-	4,544,321	4,544,321
Business support	-	441,743	441,743
Others	-	961,328	961,328
Total	87,253,481	12,354,050	99,607,531

5.23 Interest income

Interest income for the six-month periods ended June 30, consists of the following:

	2024	2023 (Restated)
	Baht	Baht
Margin loans	238,988,753	170,877,106
Deposit at financial institutions	23,579,846	11,154,273
Interest from investment	26,474,785	13,200,440
Others	2,795,023	1,771,335
Total	291,838,407	197,003,154

5.24 Gains and return on financial instruments

Gains and return on financial instruments for the six-month periods ended June 30, consists of the following:

	2024	2023 (Restated)
	Baht	Baht
Losses on investment	(38,977,632)	(80,079,834)
Gains on derivatives	50,492,024	98,203,370
Dividend income	9,649,664	10,601,069
Total	<u>21,164,056</u>	<u>28,724,605</u>

5.25 Basic loss per Share

The calculations of loss per share were based on the loss for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

For the six-month periods ended June 30,	2024	2023
Loss for the periods attributable to ordinary shareholders of the Company (Baht)	<u>(128,823,078)</u>	<u>(76,325,580)</u>
Number of ordinary shares at January 1, (shares)	135,000,000	135,000,000
Effect to shares		
April 30, 2024 (shares)	<u>143,076,923</u>	<u>-</u>
Weighted average number of ordinary shares held by shareholders (shares)	<u>278,076,923</u>	<u>135,000,000</u>
Loss per share (Baht per share)	<u>(0.46)</u>	<u>(0.57)</u>

5.26 Dividends

The Ordinary Meeting No.1/2024 of Krungsri Capital Securities Public Company Limited, held on March 26, 2024, approved the annual dividend payment to the shareholders of 2,150,469,000 ordinary shares at Baht 0.4383 per share, totaling Baht 942.55 million. The payment date was on April 25, 2024.

The Ordinary Meeting No.1/2023 of Krungsri Capital Securities Public Company Limited, held on April 24, 2023, approved the annual dividend payment to the shareholders of 2,150,469,000 ordinary shares at Baht 0.081 per share, totaling Baht 174.19 million. The payment date was on May 8, 2023.

The above dividend payment has been disclosed as part of dividends to former owners before business combination under common control in the statement of changes in owners' equity.

5.27 Employee benefit expenses

Employee benefit expenses included director's remuneration for the six-month periods ended June 30, 2024 and 2023 amounting to Baht 830,000 and Baht 1,808,102, respectively.

5.28 Other expenses

Other expenses for the six-month periods ended June 30, consists of the following:

	2024	2023 (Restated)
	Baht	Baht
Premises and equipment expenses	143,365,288	103,611,172
Other expenses	<u>139,266,533</u>	<u>74,365,429</u>
Total	<u>282,631,821</u>	<u>177,976,601</u>

5.29 Income tax

Income tax for the six-month periods ended June 30, consists of the following:

	2024	2023 (Restated)
	Baht	Baht
<u>Current tax:</u>		
Current tax expense in respect of the current period	1,280,456	22,436,897
Adjustment in respect of current income tax of previous year	<u>(453,993)</u>	<u>15,390</u>
<u>Deferred tax:</u>		
Amount of deferred tax income relating to the origination and reversal of temporary differences	24,217,173	2,468,014
Income tax relating to components of other comprehensive income	<u>(155,835)</u>	<u>(29,439)</u>
Total deferred tax	<u>24,061,338</u>	<u>2,438,575</u>
Total income tax expense	<u>24,887,801</u>	<u>24,890,862</u>

Reconciliation of income tax expenses between domestic tax rate and effective tax rate

	For the six-month periods ended June 30,			
	2024		2023 (Restated)	
	Baht	Tax rate (%)	Baht	Tax rate (%)
Loss before income tax expense	<u>(124,334,345)</u>		<u>(38,533,484)</u>	
Income tax at the tax rate	(24,866,869)	20.00	(7,706,697)	20.00
Adjustment in respect of income tax of prior year	(453,993)		15,390	
<u>Add</u> Tax effect of expenses that are not deductible for tax purposes	692,684		3,736,522	
<u>Less</u> Tax effect of income and expenses that are exempt for tax purposes	(997,018)		(434,502)	
Adjustments recognized in the current year in relation to the current tax of prior year	-		14,496,085	
Tax effect of losses carry forwards unrecognized deferred tax asset	22,734,577		14,784,064	
Amortization of deferred tax assets	<u>27,778,420</u>		<u>-</u>	
Total income tax expense	<u>24,887,801</u>	(20.02)	<u>24,890,862</u>	(64.60)

The Company used tax rate of 20% for income tax calculation for the six-month periods ended June 30, 2024 and 2023. Income tax expense is calculated from income before tax, added back transactions which are non-deductible expenses and deducted income or expense exemption under the Revenue Code.

5.30 Provident fund

The Company and employees set up a provident fund which is contributory and was registered as the provident fund in accordance with the Provident Fund Act B.E. 2530.

	For the six-month periods ended June 30,	
	2024	2023 (Restated)
	Baht	Baht
Provident fund included in personnel expenses	20,576,101	13,927,825

6. ADDITIONAL INFORMATION

6.1 Directors and managements' remuneration

The compensations paid to key management personnel under TAS 24 "Related Party Disclosures" are as follows:

	For the six-month periods ended June 30,	
	2024	2023 (Restated)
	Baht	Baht
Short-term employee benefits	58,498,731	57,246,678
Post-employment benefits	1,953,587	2,234,616
Total	60,452,318	59,481,294

6.2 Related party transactions

The Company has business transactions with related companies. These transactions are with companies that have common shareholders and/or directors with the Company and/or under the parent company or have relationship with the parent company. The financial statements reflect the effects of these transactions in the normal business practice, and the price, interest rates, terms and conditions are considered to be in normal business practice and normal terms and conditions.

Names of the related companies, that have business transactions with the Company, are shown as follows:

Name	Relationship	Business type
Bank of Ayudhya Public Company Limited	Parent company	Commercial bank
Krungsri Capital Securities Public Company Limited	Related company	Securities business
Krungsri Asset Management Company Limited	Related company	Fund management
Sunrise Equity Company Limited	Related company	Consulting for investment in Thailand
Super Assets Company Limited	Related company	Property development
National Digital ID Company Limited	Related company	Digital technology services
BBTV Productions Company Limited	Related company	Advertising agency
BBTV Equity Company Limited	Related company	Advertising agency
Federal Travel International Company Limited	Related company	Business travel services
Siam Realty and Services Security Company Limited	Related company	Car rental services and personal services
Ayudhya Capital Services Company Limited	Related company	Credit cards and personal loans
Morgan Stanley & Co. International Public Company Limited	Related company	Financial service

Significant balances and transactions with the related companies consist mainly of the following:

	As at June 30, 2024	As at December 31, 2023 (Restated)
	Baht	Baht
Cash and cash equivalents		
Bank of Ayudhya Public Company Limited	66,967,502	46,211,768
Right-of-use assets		
Bank of Ayudhya Public Company Limited	2,131,787	2,663,274
BBTV Equity Company Limited	32,536,287	39,740,185
Siam Realty and Services Security Company Limited	7,277,641	3,778,738
Total	<u>41,945,715</u>	<u>46,182,197</u>
Other assets - deposits		
Bank of Ayudhya Public Company Limited	276,016	276,016
BBTV Equity Company Limited	5,471,759	5,471,759
Total	<u>5,747,775</u>	<u>5,747,775</u>
Other assets - fee and service receivables		
Krungsri Asset Management Company Limited	5,265,028	2,290,660
Bank of Ayudhya Public Company Limited	-	4,829
Total	<u>5,265,028</u>	<u>2,295,489</u>
Other assets - Prepaid expenses		
Bank of Ayudhya Public Company Limited	645,833	-
Other assets - others		
Bank of Ayudhya Public Company Limited	4,913,501	6,198,705
Krungsri Asset Management Company Limited	44,296	-
National Digital ID Company Limited	-	7,915
Krungsri Capital Securities Public Company Limited	573,006	-
Total	<u>5,530,803</u>	<u>6,206,620</u>
Borrowing from a financial institution		
Bank of Ayudhya Public Company Limited	2,550,000,000	3,000,000,000
Lease liabilities		
Bank of Ayudhya Public Company Limited	2,158,705	2,682,881
BBTV Equity Company Limited	32,857,720	39,898,853
Siam Realty and Services Security Company Limited	7,354,919	3,813,118
Total	<u>42,371,344</u>	<u>46,394,852</u>
Other liabilities - others		
Bank of Ayudhya Public Company Limited	26,552,792	24,159,809
National Digital ID Company Limited	31,321	81,395
BBTV Equity Company Limited	235,123	399,212
Ayudhya Capital Services Company Limited	231,746	198,226
Siam Realty and Services Security Company Limited	1,257,997	-
Federal Travel International Company Limited	-	17,400
Total	<u>28,308,979</u>	<u>24,856,042</u>

	For the six-month periods ended June 30,		Pricing Policies
	2024	2023 (Restated)	
	Baht	Baht	
Income			
Brokerage fees income			
Bank of Ayudhya Public Company Limited	3,328,613	1,178,737	0.025% - 0.25% of trading volume and/or as specified in contract
Morgan Stanley & Co. International Public Company Limited	17,348	3,757,804	
Total	<u>3,345,961</u>	<u>4,936,541</u>	
Fees and services income			
Krungsri Asset Management Company Limited	16,485,847	6,967,059	As specified in contract
Interest income			
Bank of Ayudhya Public Company Limited	13,544,887	5,984,000	At market
Other income			
Siam Realty and Services Security Company Limited	-	10,416	As specified in contract
Morgan Stanley & Co. International Public Company Limited	-	153,456	As specified in contract
Bank of Ayudhya Public Company Limited	1,353,198	3,589	As specified in contract
Krungsri Capital Securities Public Company Limited	573,006	-	As specified in contract
Total	<u>1,926,204</u>	<u>167,461</u>	
Expenses			
Employee benefits expense			
Bank of Ayudhya Public Company Limited	248,595	641,595	As specified in contract
Dividend paid			
Bank of Ayudhya Public Company Limited	936,593,869	172,613,189	As the Company announcement
Fee and service expenses			
Bank of Ayudhya Public Company Limited	2,008,874	2,103,065	As specified in contract
National Digital ID Company Limited	310,089	160,627	As specified in contract
BBTV Equity Company Limited	-	41,346	As specified in contract
Total	<u>2,318,963</u>	<u>2,305,038</u>	
Interest expense			
Bank of Ayudhya Public Company Limited	44,522,473	17,238,446	As specified in contract
BBTV Equity Company Limited	474,683	51,869	As specified in contract
Siam Realty and Services Security Company Limited	115,371	48,937	As specified in contract
Total	<u>45,112,527</u>	<u>17,339,252</u>	
Other expenses			
Bank of Ayudhya Public Company Limited	15,116,630	14,138,443	As specified in contract
BBTV Equity Company Limited	13,783,117	12,760,605	As specified in contract
Siam Realty and Services Security Company Limited	2,479,229	2,135,898	As specified in contract
Ayudhya Capital Services Company Limited	43,258	224,647	As specified in contract
Total	<u>31,422,234</u>	<u>29,259,593</u>	

6.3 Long-term operating lease and service agreements

Long-term operating lease and service agreements are as follows:

	As at June 30, 2024		As at December 31, 2023 (Restated)	
	Baht	USD	Baht	USD
Not later than 1 year	17,384,882	-	8,756,066	16,030
Later 1 year but not later than 5 years	26,215,394	-	12,899,389	-

6.4 Letter of guarantee

As at June 30, 2024 and December 31, 2023, there was outstanding bank guarantee of Baht 20 million issued by Bank of Ayudhya Public Company Limited on behalf of the Company given to a bank for common use of credit facility.

6.5 Reclassification

Certain reclassification has been made in the financial statements for the year ended December 31, 2023, to conform to the classification used in current year's financial statements. Such reclassification has no effect to previously reported net profit, total comprehensive income and owners' equity. The reclassification is as follows:

Account	Previous presentation	Current presentation	Amount Baht
Gain (loss) on equity investments measured at FVOCI	Retained earnings (deficits) unappropriated	Other components of owners' equity	1,341,513

6.6 The approval date of financial statements

The financial statements for the six-month period ended June 30, 2024 have been approved for issuance by the Company's Board of Directors on August 21, 2024.