

TSFC Securities Public Company Limited
Review report and interim financial statements
For the three-month period ended 31 March 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TSFC Securities Public Company Limited

I have reviewed the accompanying statement of financial position of TSFC Securities Public Company Limited as at 31 March 2019, the related statements of comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.



Sumana Punpongsanon
Certified Public Accountant (Thailand) No. 5872

EY Office Limited
Bangkok: 27 May 2019

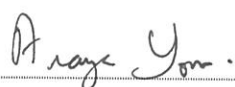
TSFC Securities Public Company Limited

Statement of financial position

As at 31 March 2019

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	3	702	2,123
Receivables from Clearing House and broker-dealer	4	5	23,296
Securities business receivables	5	3,610,103	3,665,505
Investments	7	146,172	169,978
Loans	8	1,067,000	797,110
Equipment	9	5,344	5,659
Intangible assets	10	3,275	3,612
Deferred tax assets		7,865	8,215
Other assets		8,573	6,996
Total assets		<u>4,849,039</u>	<u>4,682,494</u>

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



(Mrs. Araya Yommana)

Director



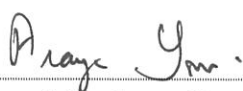
(Miss Malaiporn Pornlert)

Assistant Vice President of
Finance and Budget Department

TSFC Securities Public Company Limited
Statement of financial position (continued)
As at 31 March 2019

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and owners' equity			
Liabilities			
Borrowings from financial institutions	11	2,284,599	2,234,944
Payables to Clearing House		65,305	38,383
Securities business payables	12	25,443	50,619
Current tax liabilities		15,182	10,020
Debt issued and borrowings	13	661,979	565,273
Provisions for long-term employee benefits		15,382	14,685
Other liabilities		11,706	21,297
Total liabilities		3,079,596	2,935,221
Owners' equity			
Issued and paid-up share capital			
Ordinary shares	14	1,549,126	1,549,126
Retained earnings			
Appropriated - statutory reserve		26,238	26,238
Unappropriated		194,152	172,053
Other components of owners' equity	7.3	(73)	(144)
Total owners' equity		1,769,443	1,747,273
Total liabilities and owners' equity		4,849,039	4,682,494

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



(Mrs. Araya Yommana)

Director



(Miss Malaiporn Pornlert)

Assistant Vice President of
Finance and Budget Department

(Unaudited but reviewed)

TSFC Securities Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2019

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2019</u>	<u>2018</u>
Revenues			
Fees and service income	15	9	149
Interest on margin loans		59,447	62,973
Gains and return on financial instruments	16	8,537	7,424
Other incomes		6	19
Total revenues		<u>67,999</u>	<u>70,565</u>
Expenses			
Employee benefits expenses	17	15,771	15,608
Fees and service expenses		498	467
Finance costs		16,291	16,323
Reversal of bad debt and doubtful accounts	6	(1,046)	(3,000)
Other expenses		8,891	9,633
Total expenses		<u>40,405</u>	<u>39,031</u>
Profit before income tax		<u>27,594</u>	<u>31,534</u>
Income tax expenses	18	(5,495)	(6,291)
Profit for the period		<u>22,099</u>	<u>25,243</u>
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain on remeasuring available-for-sale investments	7.3	89	91
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	(18)	(18)
Items that will be reclassified subsequently to profit or loss - net of income tax		71	73
Other comprehensive income for the period		<u>71</u>	<u>73</u>
Total comprehensive income for the period		<u>22,170</u>	<u>25,316</u>
(Unit: Baht)			
Basic earnings per share	19		
Profit for the period		<u>0.14</u>	<u>0.16</u>

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



(Mrs. Araya Yommana)

Director



(Miss Malaiporn Pornlert)

Assistant Vice President of
Finance and Budget Department

TSFC Securities Public Company Limited
Statement of changes in owners' equity

For the three-month period ended 31 March 2019

(Unaudited but reviewed)

	Issued and paid-up share capital	Retained earnings		Unappropriated earnings	Total owners' equity	Other components of owner's equity	Gain (loss) on remeasuring available-for-sale investments	Total
		Appropriated	Unappropriated					
Balance as at 1 January 2018	1,549,126	21,612	115,143	109	1,685,990			
<u>Change during the period</u>								
Profit for the period	-	-	25,243	-	25,243			25,243
Other comprehensive income for the period	-	-	-	73	73			73
Total comprehensive income for the period	-	-	25,243	73	25,316			25,316
Balance as at 31 March 2018	1,549,126	21,612	140,386	182	1,711,306			1,711,306
Balance as at 1 January 2019	1,549,126	26,238	172,053	(144)	1,747,273			1,747,273
<u>Change during the period</u>								
Profit for the period	-	-	22,099	-	22,099			22,099
Other comprehensive income for the period	-	-	-	71	71			71
Total comprehensive income for the period	-	-	22,099	71	22,170			22,170
Balance as at 31 March 2019	1,549,126	26,238	194,152	(73)	1,769,443			1,769,443

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

(Unaudited but reviewed)

TSFC Securities Public Company Limited

Statement of cash flows

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Profit before income tax	27,594	31,534
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	853	1,392
Reversal of bad debts and doubtful accounts	(1,046)	(3,000)
Gain on investments	-	(37)
Finance costs	16,291	16,323
Interest and dividend income	(8,532)	(7,387)
Interest on margin loans	(59,447)	(62,973)
Long-term employee benefits expenses	697	683
Loss from operating activities before changes in operating assets and liabilities	(23,590)	(23,465)
Decrease (increase) in operating assets		
Securities purchased under resale agreements	-	100,000
Receivables from Clearing House and broker - dealer	23,291	8,409
Securities business receivables	115,895	(561,268)
Investments	(1,069)	(417)
Loans to financial institutions	(270,000)	(150,000)
Other assets	(2,197)	(789)
Increase (decrease) in operating liabilities		
Borrowings from financial institutions	49,655	577,000
Payables to Clearing House	26,922	(28,667)
Securities business payables	(25,176)	(21,365)
Short-term debt issued and borrowings	96,706	28,356
Other liabilities	(10,091)	(8,268)
Net cash flows used in operating activities	(19,654)	(80,474)
Cash received from interest income	6,964	6,375
Cash paid for interest expenses	(15,767)	(14,661)
Net cash flows used in operating activities	<u>(28,457)</u>	<u>(88,760)</u>

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

(Unaudited but reviewed)

TSFC Securities Public Company Limited

Statement of cash flows (continued)

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	<u>2019</u>	<u>2018</u>
Cash flows from investing activities		
Cash paid for purchase of available-for-sale investments	(185,036)	(117,009)
Cash received from disposal available-for-sale investments	210,000	199,905
Cash received from interest on investments	2,297	1,760
Cash paid for purchase of other investments	-	(257)
Cash paid for purchase of equipment	(27)	(25)
Cash paid for purchase of intangible assets	-	(9)
Net cash flows from investing activities	<u>27,234</u>	<u>84,365</u>
Cash flows from financial activities		
Cash paid for liabilities under finance lease agreement	(198)	(92)
Net cash flows used in financial activities	<u>(198)</u>	<u>(92)</u>
Net decrease in cash and cash equivalents	<u>(1,421)</u>	<u>(4,487)</u>
Cash and cash equivalents at beginning of period	2,123	5,190
Cash and cash equivalents at end of period (Note 3)	<u><u>702</u></u>	<u><u>703</u></u>

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

TSFC Securities Public Company Limited

Notes to interim financial statements

For the three-month period ended 31 March 2019

1. General information

1.1 Corporate information

TSFC Securities Public Company Limited (hereinafter referred to as “the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in securities business and has two business licenses to engage in granting credits to securities business and securities borrowing and lending business. Its registered address is located at No. 898, Ploenchit Tower, 10th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in owners' equity and cash flows in the same format as that used for the annual financial statements which has been made in compliance with the stipulations of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (No.2) No. Sor Thor. 22/2559 dated 2 June 2016.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 New financial reporting standards

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

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

3. Cash and cash equivalents

(Unit: Thousand Baht)

	31 March 2019	31 December 2018
Cash	30	30
Saving and current deposits	6,194	91,206
Less: Deposits for customers' account	(5,522)	(89,113)
Total cash and cash equivalents	<u>702</u>	<u>2,123</u>

Supplemental cash flows information

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2019	2018
Non-cash items		
Increase in payable from purchases of equipment	174	-
Gain on remeasuring available-for-sale investments	89	91

4. Receivables from Clearing House and broker-dealer

(Unit: Thousand Baht)

	31 March 2019	31 December 2018
Receivables from Clearing House	-	23,296
Receivables from securities company	5	-
Receivables from Clearing House and broker-dealer	<u>5</u>	<u>23,296</u>

5. Securities business receivables

(Unit: Thousand Baht)

	31 March 2019	31 December 2018
Customers' accounts - credit balance	3,607,286	3,665,450
Collateral receivable	1,558	-
Securities borrowing and lending receivables	1,345	-
Other receivables	187,952	188,952
Total	<u>3,798,141</u>	<u>3,854,402</u>
Add: Accrued interest income	7	194
Less: Allowance for doubtful accounts	<u>(188,045)</u>	<u>(189,091)</u>
Securities business receivables	<u>3,610,103</u>	<u>3,665,505</u>

5.1 As at 31 March 2019, the Company had discontinued recognising income from securities business receivables with total outstanding balances of approximately Baht 188.0 million (31 December 2018: Baht 189.0 million).

5.2 As at 31 March 2019 and 31 December 2018, the Company has classified securities business receivables according with the Notification of the Office of the Securities and Exchange Commission governing accounting for doubtful debts of securities companies. The Company classified securities business receivables as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	31 March 2019			31 December 2018		
	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts	Securities business receivables	Allowance for doubtful accounts set up by the Company	Net securities business receivables after allowance for doubtful accounts
Normal debt	3,610	-	3,610	3,665	-	3,665
Doubtful debt	188	(188)	-	189	(189)	-
Total	3,798	(188)	3,610	3,854	(189)	3,665

6. Allowance for doubtful accounts

Movements of allowance for doubtful accounts for loans to financial institutions and securities business receivables are summarised below.

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2019			For the year ended 31 December 2018		
	Normal debt	Doubtful debt	Total	Normal debt	Doubtful debt	Total
Balance - beginning of the period/year	3,000	300,973	303,973	11,698	308,446	320,144
Doubtful accounts (reversal)	-	(1,046)	(1,046)	(8,698)	8,837	139
Bad debt recoverable	-	-	-	-	(3,000)	(3,000)
Bad debt write-off	-	-	-	-	(13,310)	(13,310)
Balance - end of the period/year	3,000	299,927	302,927	3,000	300,973*	303,973

* Allowance for doubtful accounts amounting to Baht 301 million comprised the following.

- Baht 263 million prior to the completion of the Company's capital restructuring on 24 July 2009
- Baht 29 million during 2010 - 2014
- No transaction in 2015 - 2017
- Baht 9 million during 2018 which transfer from normal debt

7. Investments

7.1 Cost and fair value

(Unit: Thousand Baht)

	31 March 2019		31 December 2018	
	Cost/ Amortised	Fair value	Cost/ Amortised	Fair value
	cost		cost	
Available-for-sale securities				
Debt securities				
Government bonds	433,611	433,515	394,156	393,971
Less: Allowance for revaluation of securities	(96)	-	(185)	-
Government securities for customers' account	(287,616)	(287,616)	(224,266)	(224,266)
Total debt securities	<u>145,899</u>	<u>145,899</u>	<u>169,705</u>	<u>169,705</u>
Unit trusts				
Equity fund	10	16	10	16
Add: Allowance for revaluation of securities	6	-	6	-
Total unit trusts	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
Total available-for-sale securities	<u>145,915</u>	<u>145,915</u>	<u>169,721</u>	<u>169,721</u>
Other investments				
Equity securities	<u>257</u>		<u>257</u>	
Total other investments	<u>257</u>		<u>257</u>	
Total investments	<u>146,172</u>		<u>169,978</u>	

7.2 Investments in debt securities classified by the remaining contracts

(Unit: Thousand Baht)

	31 March 2019				31 December 2018			
	Not over	Over		Total	Not over	Over		Total
	1 year	1 - 5 years	5 years		1 year	1 - 5 years	5 years	
Available-for-sale debt securities	<u>338,811</u>	<u>94,704</u>	<u>-</u>	<u>433,515</u>	<u>299,343</u>	<u>94,628</u>	<u>-</u>	<u>393,971</u>
Total	<u>338,811</u>	<u>94,704</u>	<u>-</u>	<u>433,515</u>	<u>299,343</u>	<u>94,628</u>	<u>-</u>	<u>393,971</u>

7.3 Gain (loss) on remeasuring available-for-sale investments

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2019	For the year ended 31 December 2018
Balance - beginning of the period/year (net of income tax)	(144)	109
Changes during the period/year		
- from revaluation (before net of income tax)	89	(316)
- income tax	(18)	63
Balance - end of the period/year	<u>(73)</u>	<u>(144)</u>

8. Loans

(Unit: Thousand Baht)

	31 March 2019	31 December 2018
At call	581,882	161,882
Not over 1 year	600,000	750,000
Total	1,181,882	911,882
Add: Accrued interest income	-	110
Less: Allowance for doubtful accounts	(114,882)	(114,882)
Total loans	<u>1,067,000</u>	<u>797,110</u>

Loans are unsecured loans.

As at 31 March 2019, the Company had discontinued recognising income from 4 debtors from loans to financial institutions of approximately Baht 112 million (31 December 2018: Baht 112 million). These comprise of transactions with problem financial institutions which were ordered to discontinue their operations by the Ministry of Finance on 8 December 1997.

9. Equipment

Movements of the equipment account during the three-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

	<u>Equipment</u>
Cost	
31 December 2018	53,259
Additions	201
31 March 2019	<u>53,460</u>
Accumulated depreciation	
31 December 2018	47,600
Depreciation for the period	516
31 March 2019	<u>48,116</u>
Net book value	
31 December 2018	<u>5,659</u>
31 March 2019	<u>5,344</u>

10. Intangible assets

(Unit: Thousand Baht)

Net book value as at 1 January 2019	3,612
Amortisation for the period	<u>(337)</u>
Net book value as at 31 March 2019	<u>3,275</u>

11. Borrowings from financial institutions

(Unit: Thousand Baht)

	31 March 2019				31 December 2018			
	Interest rate (% per annum)	Due period			Interest rate (% per annum)	Due period		
		Not over 1 year	1 - 5 years	Total		Not over 1 year	1 - 5 years	Total
Promissory notes	1.60 - 2.77	2,125,000	-	2,125,000	1.50 - 2.55	2,225,000	-	2,225,000
Bills of exchange	2.35 - 2.65	159,599	-	159,599	2.65	9,944	-	9,944
Total borrowings from financial institutions		<u>2,284,599</u>	<u>-</u>	<u>2,284,599</u>		<u>2,234,944</u>	<u>-</u>	<u>2,234,944</u>

The borrowings from financial institutions are unsecured loans.

The loan agreements contain covenants that, among other things, require the Company to maintain net capital ratios in the agreements.

12. Securities business payables

(Unit: Thousand Baht)

	31 March 2019	31 December 2018
Securities business payables	22,484	50,619
Collateral payables	1,614	-
Securities borrowing and lending payables	1,345	-
Total securities business payables	25,443	50,619

13. Debt issued and borrowings

(Unit: Thousand Baht)

	31 March 2019			31 December 2018				
	Interest rate (% per annum)	Due period		Interest rate (% per annum)	Due period			
		Not over 1 year	1 - 5 years Total		Not over 1 year	1 - 5 years Total		
Promissory notes	2.60	362,400	-	362,400	1.85 - 2.60	310,989	-	310,989
Bills of exchange	2.40	209,579	-	209,579	2.25 - 2.40	204,284	-	204,284
Debentures	2.25 - 2.625	90,000	-	90,000	2.50 - 2.65	50,000	-	50,000
Total		661,979	-	661,979		565,273	-	565,273

Debt issued and borrowing are unsecured loans.

14. Share capital

	31 March 2019		31 December 2018	
	Number of share (Thousand shares)	Amount (Thousand Baht)	Number of share (Thousand shares)	Amount (Thousand Baht)
Registered share capital				
(Par value at Baht 10 each)	154,913	1,549,126	154,913	1,549,126
Issued and paid-up share capital				
(Par value at Baht 10 each)	154,913	1,549,126	154,913	1,549,126

15. Fees and services income

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2019	2018
Securities borrowing and lending income	2	-
Front end fee income	-	149
Other income	7	-
Total	9	149

16. Gains and return on financial instruments

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2019	2018
Gains on investments	110	37
Loss on derivatives	(105)	-
Interest and dividend income	8,532	7,387
Total	8,537	7,424

17. Directors and management's benefits

During the periods, the Company had salaries, bonuses, meeting allowances, post-employee benefits, gratuities of its directors and management, which were as follows:

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	2019	2018
Short-term employee benefits	7,083	6,875
Post-employment benefits	872	774
Total	7,955	7,649

18. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2019	2018
Current income tax:		
Interim corporate income tax charge	5,163	6,081
Deferred tax:		
Relating to origination and reversal of temporary differences	332	210
Income tax expenses reported in the statements of comprehensive income	<u>5,495</u>	<u>6,291</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2019	2018
Deferred tax relating to gains on remeasuring available-for-sale investments	<u>(18)</u>	<u>(18)</u>

19. Earnings per share

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

20. Operating lease commitments

The Company had entered into several lease agreements in respect of the lease of area in the building, equipment, motor vehicles and service agreements. The terms of the agreements are generally between 1 year and 4 years.

Future minimum lease payments required under operating lease agreements were as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

	31 March 2019	31 December 2018
Payable:		
In up to 1 year	12.8	1.4
In over 1 and up to 4 years	19.8	2.6

21. Fair value of financial instruments

As of 31 March 2019 and 31 December 2018, the Company had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Debt securities*	-	433,515	-	433,515
Unit trusts	-	16	-	16

* Included government securities for customers' account amounting to Baht 288 million.

(Unit: Thousand Baht)

	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Debt securities*	-	393,971	-	393,971
Unit trusts	-	16	-	16

* Included government securities for customers' account amounting to Baht 224 million.

Valuation techniques and inputs to Level 2 valuations

- For debts securities, their fair values are generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- The fair value of unit trusts is determined from the net assets value (NAV) published by the mutual fund management companies acting as the fund managers.

During the current period, there were no transfers within the fair value level.

22. Events after the reporting period

- 22.1 On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 3.8 million as a result. The Company will reflect the effect of the change by recognising past service costs as expenses in the statement of comprehensive income of the period in which the law is effective, which is the second quarter of 2019.
- 22.2 On 19 April 2019, the Annual General Meeting of the Company's shareholders for the year 2019 passed resolution approving payment of a dividend of Baht 0.25 per share to the ordinary shareholders, from profit for the year 2018, or a total of Baht 38.7 million. The dividend payment will be made on 17 May 2019 and will be reflected in the financial statements of the second quarter of the year 2019.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 May 2019.