

Capital Nomura Securities Public Company Limited

Notice of Summoning to attend the Extraordinary General Meeting of Shareholders No. 1/2562

Wednesday, November 27, 2019 at 10.00 a.m.

**At CNS Convention Center, 21/3 Thai Wah Tower, G Floor,
South Sathorn Road, Thungmahamek, Sathorn, Bangkok**

November 5, 2019

To: The Shareholders of Capital Nomura Securities Public Company Limited ("the Company")
Subject: Notice of Summoning to attend the Extraordinary General Meeting of Shareholders No. 1/2562
Enclosures:

1. A copy of the Minutes of the Annual General Meeting of Shareholders No. 1/2562
2. Form of Report on Delisting of Shares from being Listed Securities (F10-6)
3. Opinion of the Independent Directors on the Delisting of the Company's Securities from being Securities listed on the Stock Exchange of Thailand
4. Opinion of the Independent Financial Advisor Regarding the Voluntary Delisting of Securities from the Stock Exchange of Thailand
5. An updated form of report on disclosure of additional information of the Company (Form 56-1) as at 30 June 2019
6. Registration and Proxy Procedure
7. Biographies of Independent Directors, proposed by the Company to serve as proxy for shareholders
8. Definition of the Company's Independent Director
9. The Company's Articles of Association relating to Shareholders' Meeting
10. Map of the meeting location for the Extraordinary General Meeting of Shareholders No. 1/2562 (CNS Convention Center)
11. Proxy forms

By the resolution of the Board of Directors' Meeting of the Company No. 10/2562 held on October 3, 2019, the Company had scheduled the record date to be October 18, 2019 for shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders No. 1/2562 which will be held on Wednesday, November 27, 2019 at 10.00 a.m., at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, with the following agendas:

Agenda 1 To consider adopting the Minutes of the Annual General Meeting of Shareholders No. 1/2562 held on April 26, 2019**Fact and reason**

The Minutes of the Annual General Meeting of Shareholders No. 1/2562 held on April 26, 2019 (as per Enclosure No. 1), were taken and submitted to the Stock Exchange of Thailand ("the SET"), the Office of Securities and Exchange Commission ("the SEC") and the Ministry of Commerce within 14 days after the meeting date. In addition, the minutes have already been posted on the Company's website (www.nomuradirect.com).

The Board of Directors' opinion

The Board of Directors considered that the Minutes of the Annual General Meeting of Shareholders No. 1/2562 had been stated correctly and completely. Therefore, the Board of Directors resolved to propose the Shareholders' Meeting to adopt these minutes.

Agenda 2 To consider and approve the delisting of the Company's securities from the SET**Fact and reason**

The Company received a Letter of Intent dated 2 October 2019 from Nomura Asia Investment (Singapore) Pte. Ltd ("NAIS"), the major shareholder of the Company holding shares of the Company in the total number of 1,844,659,931 ordinary shares representing 85.78 percent of the total issued shares of the Company. The letter proposed delisting of the Company's securities through a tender offer by NAIS of the remaining shares, which are not owned by NAIS, at the number of 305,809,069 ordinary shares representing 14.22 percent of the total issued shares of the Company with an offering price of Baht 2.51 per share with the reason that Nomura Group (including Nomura Holdings, Inc. ("Nomura HD"), the parent company of NAIS and the subsidiaries and affiliates of Nomura HD) and the Company have built a closer and stronger relationship since the Company became NAIS's subsidiary in 2014 following a tender offer by NAIS. Nomura Group believes that by delisting of the Company's securities from being listed securities and further strengthening relationships within Nomura group, it will be able to more flexibly implement the Company's business strategy and accelerate decision-making. This will help to provide higher value-added services to the Company's clients.

In this regard, NAIS may adjust the tender offer price in case that (1) the Company distributes dividend to its shareholders, (2) the Company changes its par value which results in an increase or decrease in the number of shares of the Company, (3) the Company grants the rights to purchase the newly issued shares for right offering or issuance of the transferable subscription rights for a capital increase to the existing shareholders in proportion to the existing number of shares held by them in accordance with Clause 40 of the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the " Notification No. TorChor. 12/2554"). In addition, such tender offer price must not be lower than the highest calculated price based on the procedure for determination of the tender offer price for delisting of securities pursuant to the Notification No. TorChor. 12/2554.

NAIS will conduct tender offer to purchase total securities of the Company in order to delist the securities of the Company from being securities listed on the SET after all of the following conditions are satisfied or waived:

1. the shareholders' meeting of the Company passes a resolution approving the delisting of securities of the Company from being securities listed on the SET with the vote not less than three-fourths of the total issued shares of the Company, and also no objections from shareholders holding shares, in aggregate, exceeding 10 percent of the total issued shares of the Company; and
2. the delisting of securities of the Company from being securities listed on the SET has been approved and/or waived from the related organizations, including the SET, and other counterparties in related agreement (if necessary).

In this connection, in the case where the shareholders' meeting of the Company resolves to approve the delisting of securities of the Company from being securities listed on the SET with the vote not less than three-fourths of the total issued shares of the Company, and also no objections from shareholders holding shares, in aggregate, exceeding 10 percent of the total issued shares of the Company, the Company is required to submit an application for delisting in a Form of Report on Delisting of Shares (F10-7) to the SET, and upon the event that the delisting of securities of the Company from being securities listed on the SET has been approved and/or waived from the related organizations, including the SET, and other counterparties in related agreement (if necessary), NAIS will be the tender offeror of the remaining securities of the Company, which are not owned by NAIS, for the purpose of the delisting of securities pursuant to the relevant notifications of the Capital Market Supervisory Board and other relevant regulations, at the mentioned tender offer price of Baht 2.51 per share.

Please additionally consider the details of the delisting of securities of the Company from being securities listed on the SET in (a) Form of Report on Delisting of Shares (F10-6), which was approved by the resolution of the Board of Directors' Meeting held on 3 October 2019, prescribing reasons and facts concerning the delisting of shares of the Company (Enclosure No. 2), (b) Opinion of the Independent Directors on the Delisting of the Company's Securities from being Securities listed on the SET (Enclosure No. 3), (c) Opinion of the Independent Financial Advisor Regarding the Voluntary Delisting of Securities from the Stock Exchange of Thailand (Enclosure No.4), and (d) An updated form of report on disclosure of additional information of the Company (Form 56-1) as at June 30, 2019 (Enclosure No. 5).

The Company's Board of Directors Meeting No. 10/2562 held on October 3, 2019 resolved to propose to the Extraordinary General Meeting of Shareholders to consider the delisting of the Company's securities from the SET. For more details, please refer to the Form of Report on Delisting of Shares (F10-6) (Enclosure No. 2).

The Board of Directors' opinion

The Board of Directors considered and resolved to propose the Shareholders' Meeting to approve the delisting of securities of the Company from being securities listed on the SET with the facts and reasons as mentioned above.

In addition, in order to comply with the procedures of the regulations of the SET Re: Delisting of Listed Securities B.E. 2542 (1999) and other relevant rules, the Board of Directors considered and resolved to propose the Shareholders' Meeting to approve the delegation of the authority to any 2 of the 4 Executive Directors as follows;

1. Mr. Suthep Peetakanont
2. Mr. Katsuya Imanishi
3. Mr. Shinya Yokoyama
4. Mrs. Chrisana Sae-Leiw

in order to perform the following acts:

1. to prescribe, amend, add or revise the details relating to delisting of securities;
2. to sign any documents and its amendments which are necessary for, or pertaining to delisting of securities;
3. to liaise with, and to seek permission and waiver in relation to various documents and evidence from, any relevant government agencies or authorities, financial institution, and any concerned persons or entities under delisting of securities;
4. to seek permission from or submit documents to the SET, the SEC, or other relevant authorities in connection with delisting of securities; and
5. to do any acts necessary to comply with the SET's and the SEC's requirements in order to complete the delisting of securities.

In these regards, whether to vote for or against the Delisting of Securities, it is highly advisable that the shareholders analyze the opinion of the independent financial advisor as well as other relevant information, which the shareholders consider reliable. The final decision shall rest solely with the shareholders' discretion.

According to Regulation of the Stock Exchange of Thailand Re : Delisting of Listed Securities B.E. 2542 (1999), the resolution of the shareholders' meeting for the delisting of securities shall be passed by the votes of the shareholders or proxies (if any), who are present at the meeting and have the right to vote, of not less than three-fourths of the total issued shares of the Company, and also no objections from shareholders holding shares, in aggregate, exceeding 10 percent of the total issued shares of the Company.

Agenda 3 Other matters (if any)

The Company would like to inform that the Record Date for determining the name of shareholders who are eligible to attend the Extraordinary General Meeting of Shareholders No.1/2562 was set on 18 October 2019.

The Company realizes the importance of the right of the shareholders, therefore, the Company would like to ask for your cooperation to attend the meeting on the date, time and place as mentioned above for your benefit in the Extraordinary General Meeting of the Shareholders. If you cannot attend the meeting, please appoint your appointee or one of the Company's independent directors to attend the meeting on your behalf. In such case, please complete and execute the enclosed proxy for your appointee to present to the Company on the meeting date. The executed proxy must be deposited with an assigned officer before the commencement of the meeting. Registration for shareholder attendance will start at 9.00 a.m. onwards.

Please be informed accordingly,

Yours faithfully,



(Mr. Suthep Peetakanont)
Chairman of the Board of Directors and
Chairman of the Board of Executive Directors

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Minutes of the Annual General Meeting of Shareholders No. 1/2562
(Not adopted by the Shareholders' Meeting yet.)
of Capital Nomura Securities Public Company Limited,
Held on Friday, April 26, 2019 at 10.00 a.m.
At CNS Convention Center, 21/3 Thai Wah Tower, G Floor,
South Sathorn Road, Thungmahamek, Sathorn, Bangkok

Mr. Suthep Peetakanont, Chairman of the Board of Directors and Chairman of the Board of Executive Directors (hereinafter "the Chairman"), presided over the Annual General Meeting of Shareholders No. 1/2562 (hereinafter "the Meeting") that began at 10.00 a.m. A total of 125 shareholders and authorized representatives with voting rights attended the Meeting, representing 131 shareholders according to the share register book. Those presented at the Meeting owned a total of 1,885,654,693 shares, or 87.70% of the issued and paid-up shares of Capital Nomura Securities Public Company Limited (hereinafter "the Company"), which were not less than the minimum requirement, 25-person with an aggregate of not less than one-third of the Company's total 2,150,469,000 paid-up shares. With a quorum thus constituted in accordance with the Company's Articles of Association, the Chairman declared the Meeting open according to the agenda outlined in the invitation letter sent to the Company's shareholders prior to the Meeting.

The Chairman introduced the 11 directors, who attended the Meeting out of the total 11 members of the Board of Directors (100% Meeting Attendance), as follows:

1. Mr. Suthep Peetakanont	Director, appointed by the Board of Directors to be Chairman of the Board of Directors and Chairman of the Board of Executive Directors;
2. Mr. Katsuya Imanishi	Director, appointed by the Board of Directors to be President;
3. Mr. Shinya Yokoyama	Director, appointed by the Board of Directors to be Executive Director;
4. Mrs. Chrisana Sae-Leiw	Director, appointed by the Board of Directors to be Executive Director;
5. Mr. Yuji Hibino	Director, Non-Executive Director and Non-Independent Director;
6. Mr. Philip Wing Lun Chow	Director, Non-Executive Director and Non-Independent Director;
7. Mrs. Wattanee Phanachet	Independent Director, appointed by the Board of Directors to be member of the Audit Committee and appointed by the Audit Committee to be Chairwoman of the Audit Committee;
8. Col. Ruangsub Kovindha	Independent Director, appointed by the Board of Directors to be member of the Audit Committee;
9. Mr. Prasert Virasathienpornkul	Independent Director, appointed by the Board of Directors to be member of the Audit Committee;

10. Dr. Prasit Kanchanasakdichai Independent Director; and
11. Associate Professor Dr. Danuja Kunpanitchakit Independent Director.

The Chairman informed the Meeting to acknowledge the resignation of a director – Mr. Nimit Wongjariyakul – effective from March 7, 2019. The Board of Directors' Meeting resolved to appoint Assoc. Prof. Dr. Danuja Kunpanitchakit as an Independent Director in replacement of Mr. Nimit on March 15, 2019. The appointment was approved by the Securities and Exchange Commission (the "SEC") and the registration of which was made on April 5, 2019. The Chairman also informed the Meeting that the Company also has other sub-committees, namely:

- The Board of Executive Directors, having Mr. Suthep Peetakanont as the Chairman of the Board of Executive Directors. Since Mr. Nimit Wongjariyakul had resigned from the position of the Company's Director, effective from March 7, 2019, the corollary was that he also resigned from the position of Executive Directors and an authorized Directors who could sign on behalf of the Company. The Board of Executive Directors thus consisted of 4 persons.

The Board of Executive Directors also acts as the Credit Review Committee, having Mr. Suthep Peetakanont as its Chairman as well. And from March 1, 2019, Mr. Shinya Yokoyama has - appointed as the Chairman of the Credit Review Committee in place of Mr. Suthep;

- The Audit Committee, having Mrs. Wattanee Phanachet as its Chairwoman;
- Marginable Securities Committee, having Miss Ampika Saringkarnboriboon, Department Head of Risk Management Department, as the Chairwoman;
- Risk Management Committee, having Mr. Shinya Yokoyama as its Chairman;
- Anti-Money Laundering Committee, having Mr. Prakob Taraprasert, the representative from Legal Department, as the Chairman of the Committee.

And the representative from Compliance Department has been assigned to act as the Chairwoman of the Anti-Money Laundering Committee since March 1, 2019.

The Chairman further informed the Meeting that the Company does not have any other sub-committees than what were said above.

The Chairman then introduced Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant) – by having Mr. Shinya Yokoyama, who has the highest responsibility in finance and accounting (Chief Financial Officer: CFO) – who also attended the Meeting.

The Chairman further introduced the attendants of the Meeting, Ms. Ratana Jala, Certified Public Accountant from EY Office Limited, and Ms. Natnicha Aramtiantamrong, Audit Manager from EY Office Limited, and Mr. Supachan Jaranakaran, a legal advisor from Baker Mckenzie Limited.

The Chairman informed the Meeting that the Company had appointed Mr. Supachan Jaranakaran, an independent legal advisor from Baker Mckenzie Limited, to be the scrutineer of the shareholders' voting and vote counting procedures of the Meeting, together with the Company's staff, in compliance with the Company's Good Corporate Governance Policy.

The Chairman then informed the Meeting about the shareholders' voting and vote counting procedures for each agenda as follows.

- Each shareholder's or proxy/proxy holder's vote would equal to the number of shares that the shareholder or the proxy grantor owns. Each shareholder can cast their vote to agree, disagree or abstain, with respect to each agenda, with their votes being equivalent to the number of shares held by each shareholder or the proxy grantor. The votes would be cast by using the ballots distributed during the registration process for the Meeting.
- The shareholders attending the Meeting in person and the proxy holders by Proxy Form 1 and Form 2 shall not be allowed to divide his/her vote for each agenda, unlike the proxy holders by Form 3 for foreign shareholders who had custodians in Thailand.
- Void ballot means a voting ballot that is considered invalid when shareholders or proxy holders do not clearly express their intention on the ballots, such as where there are more than one marked boxes in the ballot or there is no initial/signature in the ballot in which change of the vote has been made.
- If the shareholders had appointed proxies to cast his/her votes on his/her behalf in accordance with his/her instructions (Form 2), the Company shall input his/her votes into the computer. The proxies shall not vote again.
- For the agenda concerning the election of directors, the shareholders shall be requested to cast their votes for each director on individual basis. Next, the Chairman shall announce the result of each director, so as to comply with the Stock Exchange of Thailand's (the "SET") and the SEC's principles of good corporate governance.
- In seeking for the resolutions and counting the votes for each agenda, to avoid any disruption of the vote counting, the Chairman would proceed with the following steps:
 - (1) Ask that any shareholder or proxy who votes to disagree shall raise his/her hand and hand the marked ballot to the Company's staff so that the votes for that particular agenda could be recorded.
 - (2) Ask that any shareholder or proxy who abstains from voting shall raise his/her hand and hand the marked ballot to the Company's officer so that the votes for that particular agenda could be recorded.

The Chairman shall then announce that the rest shall be regarded as having voted "agreed" without having to raise his/her hand before the vote counting begins. In counting the votes, the total votes cast for "disagreed" and for "abstained" shall be deducted from the total number shares attending the Meeting, leaving the remaining votes to be counted as "agreed", for each agenda. The voting result of each agenda shall be announced and put on the screen in the Meeting. In case of void ballots, the Chairman shall announce the number of void ballots, as well as the votes representing such void ballots, and shall announce also that the total approval votes shall reduce according to the votes representing the void ballots.

- If the number of votes is in favor of a particular agenda and found in accordance with the Company's Articles of Association regarding the vote casting, it shall mean that that particular agenda has been approved.

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- The number of voting rights in each agenda may be different from the total number of voting rights announced at the commencement of the Meeting because some shareholders may have made a late registration after such announcement.
- Before casting their votes for each agenda, the shareholders shall be given an opportunity to ask questions that are relevant to each agenda. The shareholders who wish to ask questions are requested to state their names and surnames before asking the questions or expressing their opinions. In case that any shareholder would like to raise questions or express their opinions on irrelevant topics to the main items on the agenda, they shall be allowed to do so during the discussion of agenda 9 (Other Matters).
- The Company shall collect all the ballots from the shareholders and proxy holders at the end of the Meeting, in order to comply with the SET's and the SEC's principles of good corporate governance.

The shareholders who were to disagree with these voting and vote counting procedures were given an opportunity to express him/herself.

As no shareholders went against the above shareholders' voting and vote counting procedures, the Chairman then further informed the shareholders that the Company has disclosed the Notice of Invitation to attend the Annual General Meeting of Shareholders and other supporting documents, both in Thai and English, on the Company's website and the SET Portal system since March 26, 2019, as well as in the Tunhoon Newspaper for the dates of March 29-31, 2019 and April 1-2, 2019, totaling 3 business days.

Agenda 1 To consider adopting the Minutes of the Annual General Meeting of Shareholders No. 1/2561 held on April 27, 2018

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the Board of Directors had considered that the Minutes of the Annual General Meeting of Shareholders No. 1/2561 had been recorded correctly and completely. Therefore, the Board of Directors resolved to propose the Meeting to adopt these minutes.

The shareholders were given an opportunity to ask questions.

No questions were raised. The Chairman then requested the Meeting to consider and vote.

The Meeting resolved to adopt this agenda with the votes comprising of:

Agreed	1,885,804,998	votes	equivalent to	99.9751%
Disagreed	404,000	votes	equivalent to	0.0214%
Abstained	65,000	votes	equivalent to	0.0034%
Void ballots	0	votes	equivalent to	0.0000%

Agenda 2 Matter arising

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the Board of Directors resolved to report the matter arising to the Meeting for acknowledgement.

The Chairman assigned Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant), to report the matter arising to the Meeting.

Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant), reported to the Meeting as follows.

1. In February 2018, the Company announced the status of the Company being Collective Action against Corruption (CAC) certified via e-newsletter on the Company's website.
2. Regarding the fact that the CAC certified status was scheduled to expire in Y2018, the Company recognized the importance of the participation in the CAC project; therefore, the Company had proceeded to receive a re-certification. The Private Sector Collective Action Coalition Against Corruption Council resolved on May 17, 2018 to renew the Company's status of being CAC-certified for another 3 years from such resolution date.
3. In December 2018, the Company sent the letter via e-mail to banks, vendors and service providers, who provided service to the Company, requesting for a co-operation in encouraging Anti-Bribery and Corruption of all forms, including the policy of no gift to the Company's management and staff, whether for festive occasions or any other occasion, so as to adhere to the Company's Anti-Bribery and Corruption Policy.
In addition, the Company also sent out messages through new year e-cards to customers, vendors and service providers to inform that the Company does not accept gifts or benefits on festive occasions, to be in compliant with the said Policy.
4. The Company has also arranged a training course to create Anti-Bribery and Corruption awareness among all staff.
5. In 2018, the Company experienced insignificant increase in funding need, due to capital market volatility, uncertain economic climate, fierce competition and risk management, and to maintain good relationship with the banks. The Company, therefore, did not issue any debentures, but issued bill of exchange of Baht 300 million during Y2018, which has been duly settled with final settlement on February 5, 2019.

The shareholders were given an opportunity to ask questions.

No questions were raised. The Chairman then informed the Meeting that this agenda was for the Meeting's acknowledgement; therefore, there was no voting for this agenda.

The Meeting acknowledged the matter arising.

Agenda 3 To acknowledge the Company's performance for the year ended December 31, 2018

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the Board of Directors resolved to report the Company's performance for the year ended December 31, 2018 to the Meeting.

The Chairman assigned Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant), to report the Company's performance for the year ended December 31, 2018 to the Meeting.

Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant), reported the Company's performance for the year ended December 31, 2018 to the Meeting. (Details of the Company's performance were disclosed in the 2018 Annual Report.)

The shareholders were given an opportunity to ask questions.

- **Questions** Mr. Panu Tangpoonsinthana, the shareholder attending the Meeting, asked the following questions:
 - 1) In 2018, why did the Company's market share drop to 21st in rank, and how to improve the situation?
 - 2) Would the fact that Mr. Nimit Wongjariyakul had resigned from the position of the Company's Director impact the investment banking business, which was supervised by him in the past? And what is the impact?
 - 3) Does the Company have any policy to conduct Derivative Warrants business? and
 - 4) There has been a sharp decrease in the revenue from the trading of corporate debentures in 2018, compared to that of 2017. How would the company improve the situation?

Answers The Chairman answered the shareholder as follows:

- 1) For the market share, in the present, the structure of securities trading has changed, with significant differences in commission fee rates, whereby foreign investors usually trade through Direct Market Access (DMA), which is trading via computer system. As a result, there is high volume of trading, but less commission fees. Nonetheless, the Company has in place the business model that focuses on creating added value to its services by continuing to improve the quality of the services and financial products development. The Company also invested in information technology as well as research paper;
- 2) The Company has restructured its investment banking business by setting up a new department, Corporate Finance Department,

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recruiting the new department head of Capital Market Department and recruiting new employees to strengthen the Company's investment banking business;

- 3) The Company has studied the Derivative Warrants business. However, it has not had the policy to conduct this business; and
- 4) As there had been a number of defaults to debt securities by the issuers at the beginning of 2018, investors have become more cautious, resulting in the decrease in transaction volume. Nevertheless, the Company has recruited new employees, who are skilled in fixed income business, to enable the Company to expand this business further.

No further questions were raised. The Chairman then informed the Meeting that this agenda was for the Meeting's acknowledgement; therefore, there was no voting for this agenda.

The Meeting acknowledged the Company's performance for the year ended December 31, 2018.

Agenda 4 To consider the Company's financial statements for the year ended December 31, 2018

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the Board of Directors had considered that the Company's financial statements for the year ended December 31, 2018 were reasonably accurate and fairly presenting the Company's financial position and performance in accordance with Thai Financial Reporting Standards. Therefore, the Board of Directors resolved to propose the Shareholders' Meeting to adopt these financial statements, which were audited by the Certified Public Accountant and reviewed by the Company's Audit Committee.

The shareholders were given an opportunity to ask questions.

- **Questions** Mr. Panu Tangpoonsinthana, the shareholder attending the Meeting, asked the following questions:
 - 1) In the 2018 Annual Report (Thai version) on page 178, Management Discussion and Analysis: gain and return on financial instruments stated the decrease of Baht 152.15 million due to the profit on selling other investments – non-listed company – around Baht 135.27 million in 2017. And on page 231, the notes to financial statements No. 25 showed the detail of gain and return on financial instruments, with the loss of Baht 10.85 million in gain (loss) on securities in 2018 compared to Baht 192.75 million profit in 2017. What are the reasons?;

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- 2) For what reasons the financial cost increase did not relate to the decrease in the total revenues?
- 3) Concerning the lawsuit between the Company and its client, which was disclosed in the Annual Report 2018 (Thai version) on page 46, Legal Disputes, with full provision set up, would the Company win the case for certain, relying on the Legal Department's opinion?

Answers The Chairman assigned Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant), to clarify.

Miss Kridsana Kulpanyalert, Division Head of Finance Division and the person supervising accounting (Chief Accountant), answered the shareholder as follows:

- 1) The significant decrease in gain and return on financial instruments, which resulted in loss around Baht 11 million, comprised of the profit from fixed income business around Baht 11 million and the loss of around Baht 22 million from equity investment. The loss from equity investment derived from block trade business, which are large transactions of derivatives traded in the Thailand Futures Exchange (TFEX) into which the Company has entered as counterparty to its clients, in order to fully hedge the risk of having position of the derivatives contracts by purchasing the underlying stocks or short-selling the borrowed underlying stocks on the stock exchange. As a result, there was the loss in equity investment around Baht 22 million and the profit from derivatives by around Baht 33 million. The net profit of block trade business was approximately Baht 11 million. The Company expects the return at the same rate as interest rate. In summary, the Company -had the profit of around Baht 11 million from fixed income business, and the profit of around Baht 11 million from block trade business.
- 2) There was a slight increase in financial costs, mainly driven by the increase in margin loan and the block trade – single stock future transactions during the first half of 2018. For the increase in other expenses, they derived mainly from repair and maintenance for technology changes, and litigation related.
- 3) For the legal dispute, the Chairman clarified that the Company was having a lawsuit with a margin loan client, whose collateral with the Company has become subject to the authority's freezing order. At present, the case is being under the court proceedings, the status of which has been closely followed up by the Legal Department.

- Question Mr. Wachira Tayanaraporn, the shareholder attending the Meeting, asked the following questions:

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How was securities brokerage business for the margin loan under credit balance account of the Company in the 1st quarter of 2019?

Answer

The Chairman answered the shareholder as follows:

In the 1st quarter of 2019, securities brokerage business for the margin loan under credit balance account of the Company has been stable since 2018. The Company has conducted to improve the organization's management for more efficiency so that the Company can prepare for the stock market recovery.

No further questions were raised. The Chairman then requested the Meeting to consider this agenda.

The Meeting resolved to approve this agenda with the votes comprising of:

Agreed	1,887,045,862	votes	equivalent to	99.9752%
Disagreed	404,000	votes	equivalent to	0.0214%
Abstained	65,000	votes	equivalent to	0.0034%
Void ballots	0	votes	equivalent to	0.0000%

Agenda 5 To consider the profit appropriation from the net profit for the year ended December 31, 2018 and the dividend payment

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, as of December 31, 2018, the Company was required to appropriate the annual net profit as a legal reserve of at least Baht 8,875,863.45. The Company also has the policy to propose dividend payment of at least 60% of the annual net profit to the Shareholders' Meeting, except for the cases where the Company needs to set aside a larger budget for business expansion or other significant activities. However, the dividend payment would still depend on the resolution of the Meeting. As the Board of Directors had considered that the Company had the net profit for the year ended December 31, 2017, the Company was required to set up additional legal reserve at 5% of the annual net profit until the reserve reaches 10% of the Company's registered capital. In addition, the Company had enough profit to pay dividend. Therefore, the Board of Directors resolved to propose the Meeting to approve the profit appropriation from the net profit for the year ended December 31, 2018 as a legal reserve of Baht 8,900,000.00 and the dividend payment at Baht 0.078 per share or approximately equivalent to 94.49% of the net profit for the year ended December 31, 2018, which was in line with the Company's dividend policy. The detail of the profit appropriation and the dividend payment shall be as per below.

Legal reserve	Baht	8,900,000.00
General reserve	Baht	0.00
Dividend payment at Baht 0.078 per share	Baht	167,736,582.00

(Based on the total paid-up shares of 2,150,469,000 shares at par of Baht 1 per share)

บริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)
CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED

The record date for the shareholders entitled to receive the dividend was March 19, 2019. The dividend payment date would be May 9, 2019. However, this dividend payment would still depend on the resolution of the Shareholders' Meeting.

The shareholders were given an opportunity to ask questions.

No questions were raised. The Chairman then requested the Meeting to consider and vote.

The Meeting resolved to approve this agenda with the votes comprising of:

Agreed	1,887,045,862	votes	equivalent to	99.9752%
Disagreed	404,000	votes	equivalent to	0.0214%
Abstained	65,000	votes	equivalent to	0.0034%
Void ballots	0	votes	equivalent to	0.0000%

Agenda 6 To consider the remuneration of directors and members of the Audit Committee

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the Board of Directors has the policy to appropriate the reasonable rates of Directors' and Audit Committee's remuneration that align with the below factors:

1. Duties and responsibilities of each director;
2. Director's and Audit Committee's remuneration rates paid by other companies in the same industry;
3. Director's and Audit Committee's remuneration rates paid by other listed companies; and
4. Other related factors.

The Board of Directors had considered and resolved to propose the Meeting to maintain the Director's annual remuneration based on performance for the year ended December 31, 2018, the Audit Committee's annual remuneration for the year ended December 31, 2019 and the meeting allowance for each Independent Director attending the board meetings for the year ended December 31, 2019 at the same rates as last year as per below.

Director's annual remuneration, considered from the performance of the year ended December 31, 2018, shall be calculated proportionately to the term of the annual remuneration as the following.

1. Chairman of the Board of Directors	Baht 250,000 annually
2. Each Executive Director	Baht 220,000 annually
3. Each Independent Director	Baht 260,000 annually
4. Each other Non-Executive Director	Baht 220,000 annually

Meeting allowance for each Independent Director attending the board meetings for the year ended December 31, 2019 shall be paid at the rate of Baht 20,000 per meeting.

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Audit Committee's annual remuneration for the year ended December 31, 2019 shall be calculated proportionately to the term of the annual remuneration as the following.

1. Chairman of the Audit Committee	Baht 320,000 annually
2. Each other member of the Audit Committee	Baht 260,000 annually

The Company has no other benefits for Non-Executive Directors.

The shareholders were given an opportunity to ask questions.

No questions were raised. The Chairman then requested the Meeting to consider and vote.

The Meeting resolved to approve this agenda with the votes comprising of:

Agreed	1,887,047,208	votes	equivalent to	99.9752%
Disagreed	399,000	votes	equivalent to	0.0211%
Abstained	65,000	votes	equivalent to	0.0034%
Void ballots	5,000	votes	equivalent to	0.0003%

The Chairman thanked the shareholders on behalf of all directors.

Agenda 7 To consider the election of directors to replace those retiring by rotation

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the directors who shall retire in 2019 were:

1. Mr. Katsuya Imanishi	Director
2. Mrs. Wattanee Phanachet	Independent Director
3. Dr. Prasit Kachanasakdichai	Independent Director

The Board of Directors, exclusive of any directors who were to retire by rotation, had considered that 2 directors, Mr. Katsuya Imanishi and Dr. Prasit Kachanasakdichai, were knowledgeable and skilled. Their qualifications were suitable for the Company's business. They were fully capable, with strong determination in performing their jobs as the Company's directors. And, during the past period, their actions were taken in good faith and to the best interest of the Company and the shareholders. The Board of Directors had further considered that Dr. Prasit Kachanasakdichai, the Independent Director, has been able to provide independent judgement in compliance with relevant rules and regulations. The Board of Directors, exclusive of any directors who were to retire by rotation, therefore, had resolved to propose the Meeting to re-elect those 2 directors to be retained in 2019 as the Company's directors for another term as per below.

1. Mr. Katsuya Imanishi	proposed to be re-elected as Director
2. Dr. Prasit Kachanasakdichai	proposed to be re-elected as Independent Director

(Biographies of the 2 directors were in the attachment of the Notice of Invitation sent to the shareholders)

For Mrs. Wattanee Phanachet, the Board of Directors had resolved to propose to the Meeting that no person should be elected as replacement for Mrs. Wattanee Phanachet, as Mrs. Wattanee Phanachet had stated that she does not wish to be re-elected, and the Meeting of the Board of Directors No. 3/2562 on March 15, 2019 had resolved to elect Associate Professor Dr. Danuja Kunpanitchakit as Independent Director to replace Mr. Nimit Wongjariyakul (who resigned from the position of Director and Executive Director, with effect on 7 March, 2019).

According to the event that the Company had reported to the SET on March 15, 2019 that Mrs. Wattanee Phanachet had revoked her resignation from directorship, scheduled to be effective on May 14, 2019, which had been reported to the SET on February 22, 2019; as a result, Mrs. Wattanee Phanachet's retirement from the Board of Directors shall take effect right after this Annual General Meeting of Shareholders No. 1/2562.

Therefore, the Chairman thanked Mrs. Wattanee Phanachet on behalf of the Board of Directors, all employees and shareholders for having performed her duty as Director for longer than 20 years since October 16, 1998, with vigor and due care for the best interest of the Company and shareholders.

Mrs. Wattanee Phanachet thanked all shareholders, the Board of Directors and employees.

The shareholders were given an opportunity to ask questions.

- Question Mr. Panu Tangpoonsinthana, the shareholder attending the Meeting, thanked Mrs. Wattanee Phanachet and asked the following questions:

Does the Company have the policy to appoint another director for the Board of Directors so it would consist of 11 persons as it used to be?

Answer The Chairman answered the shareholder as follows:

If the Meeting approves this election of directors to replace those retiring by rotation, the Board of Directors would consist of 10 persons. The Board of Directors had already considered that this is appropriate and sufficient for the current directors' duties.

No further questions were raised. The Chairman then requested the 2 retiring directors to leave the Meeting room to comply with the principles of good corporate governance.

Mr. Katsuya Imanishi and Dr. Prasit Kanchanasakdichai left the Meeting room, accordingly in compliance with the principles of good corporate governance.

The Chairman asked the Meeting to consider the election for each director on individual basis.

The Chairman gave an opportunity to the shareholders to ask questions on the re-election of Mr. Katsuya Imanishi to be retained as Director for another term.

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No questions were raised. The Chairman then requested the Meeting to consider and vote.

The Meeting resolved to re-elect Mr. Katsuya Imanishi to serve as Director for another term with the votes comprising of:

Agreed	1,887,077,235	votes	equivalent to	99.9783%
Disagreed	0	votes	equivalent to	0.0000%
Abstained	65,000	votes	equivalent to	0.0034%
Void ballots	344,000	votes	equivalent to	0.0182%

The Chairman gave an opportunity to the shareholders to ask questions on the re-election of Dr. Prasit Kanchanasakdichai to be retained as Independent Director for another term. The Board of Directors had already considered too that Dr. Prasit Kanchanasakdichai has been able to provide independent judgement in compliance with relevant rules and regulations.

No questions were raised. The Chairman then requested the Meeting to consider and vote.

The Meeting resolved to re-elect Dr. Prasit Kanchanasakdichai to serve as Independent Director for another term with the votes comprising of:

Agreed	1,887,077,235	votes	equivalent to	99.9750%
Disagreed	407,000	votes	equivalent to	0.0216%
Abstained	65,000	votes	equivalent to	0.0034%
Void ballots	0	votes	equivalent to	0.0000%

The Chairman thanked the shareholders and invited the 2 directors to return to the Meeting room.

The Chairman informed the 2 directors that the Meeting has resolved to re-elect them to be Director for another term.

The 2 directors thanked the shareholders.

The Chairman informed the Meeting that the Board of Directors would consist of 4 Executive Directors, 4 Independent Directors and 2 Non-Executive Directors, and 10 Directors in total, namely:

1. Mr. Suthep Peetakanont Director, appointed by the Board of Directors to be Chairman of the Board of Directors and Chairman of the Board of Executive Directors;
2. Mr. Katsuya Imanishi Director, whom the Board of Directors shall afterward consider appointing to be in other position;
3. Mr. Shinya Yokoyama Director, appointed by the Board of Directors to be Executive Director;
4. Mrs. Chrisana Sae-Leiw Director, appointed by the Board of Directors to be Executive Director;

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5. Mr. Yuji Hibino	Director, Non-Executive Director and Non-Independent Director;
6. Mr. Philip Wing Lun Chow	Director, Non-Executive Director and Non-Independent Director;
7. Col. Ruangsub Kovindha	Independent Director, appointed by the Board of Directors to be member of the Audit Committee;
8. Mr. Prasert Virasathienpornkul	Independent Director, appointed by the Board of Directors to be member of the Audit Committee;
9. Dr. Prasit Kanchanasakdichai	Independent Director; and
10. Associate Professor Dr. Danuja Kunpanitchakit	Independent Director.

Agenda 8 To consider the appointment and the remuneration of the auditors for the accounting periods starting from January 1, 2019 and ending on December 31, 2019

The Chairman reported to the Meeting that, according to the facts and reasons given in the invitation letter to shareholders, the Company's Board of Directors had considered and resolved to propose the Shareholders' Meeting for consideration as per below.

1. To appoint auditors from EY Office Limited as the Company's auditors, namely (1) Ms. Ratana Jala, Certified Public Accountant (Thailand) No. 3734 and/or (2) Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499 and/or (3) Ms. Rachada Yongsawadvanich, Certified Public Accountant (Thailand) No. 4951 and/or (4) Ms. Wanwilai Phetsang, Certified Public Accountant (Thailand) No. 5315. Any one of them is authorized to conduct the audit and express opinion on the Company's financial statements for the accounting periods starting from January 1, 2019 to December 31, 2019 and for other related periods to be used in comparing with such audited or reviewed periods in accordance with Thai Financial Reporting Standards. In case that the said auditors would not be available, other auditors from EY Office Limited may be appointed to perform such audit.
2. To determine the audit fee of Baht 1,600,000 for the accounting periods starting from January 1, 2019 to December 31, 2019, the fee of which increased from the audit fee of Baht 1,500,000 for the previous year (accounting period starting January 1, 2018 to December 31, 2018).
3. To determine the service fee of Baht 350,000 - 400,000 for the review of accounting impact assessment from the adoption of TFRS 9: Financial Instruments to the balances as of 31 December 2019.

The appointment of the auditors and the determination of the audit fees were proposed by the Audit Committee.

The Chairman further informed the Meeting for acknowledgement that the Company does not have any subsidiaries or affiliated companies.

The Chairman assigned Mrs. Wattanee Phanachet, the Chairwoman of the Audit Committee and Independence Director, to report to the Meeting.

Mrs. Wattanee Phanachet, the Chairwoman of the Audit Committee and Independence Director, informed the Meeting as follows.

The Audit Committee's Meeting had resolved to propose the Meeting to appoint EY Office Limited as the Company's auditor for the fiscal year 2019 and to determine the audit fee for the following reasons:

- EY Office Limited is a well-known audit firm in both Thailand and overseas. They have high auditing standards. From the past, EY Office Limited has performed their audits effectively. The quality of service was satisfied. They appropriately allocated their time for the Company and also clearly identified key audit points to the Audit Committee, as well as provided the Company with useful advice for the new accounting standards; and
- For the increase in audit fee for the fiscal year 2019 by Baht 100,000, from Baht 1,500,000 to be Baht 1,600,000, the Audit Committee has considered and agreed that the Company has increasing transactions. Moreover, EY Office Limited also sees an increase in the cost of audit caused by the economic conditions, including cost in the service in reviewing accounting impact assessment for TFRS 9: Financial Instruments.

Accordingly, the Audit Committee has considered and opined that EY Office Limited and the 4 auditors mentioned above are suitable for serving as the Company's auditors for the fiscal year 2019.

The Chairman thanked the Audit Committee. The shareholders were given an opportunity to ask questions.

- Question Mr. Panu Tangpoonsinthana, the shareholder attending the Meeting, asked the following questions:

Is there any chance that the service fee for the TFRS 9: Financial Instruments adoption review will be increased?

- Answer Mrs. Wattanee Phanachet, the Chairwoman of the Audit Committee answered the shareholder as follow:

The Audit Committee had considered with EY Office Limited that the fees to be approved by the Meeting shall cover the services until completion.

No further questions were raised. The Chairman then requested the Meeting to consider this agenda.

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The Meeting resolved to approve this agenda with the votes comprising of:

Agreed	1,887,029,235	votes	equivalent to	99.9753%
Disagreed	354,000	votes	equivalent to	0.0188%
Abstained	113,000	votes	equivalent to	0.0060%
Void ballots	0	votes	equivalent to	0.0000%

Agenda 9 Other matters

As all agenda in the invitation letter was completely proposed to and resolved by the Meeting, the shareholders were given an opportunity to ask questions.

- Question Mr. Panu Tangpoonsinthana, the shareholder attending the Meeting, asked the following question:

Does the Company have any real estate assets in the form of condominium? Where is it?

Answer The Chairman answered the shareholder as following:

At present, the Company has an office condominium on Sanphawut Road, Bangna, which is not sold yet. If any shareholders are interested in, kindly contact the Company.

Since there were no further questions raised, the Chairman thanked the shareholders for their attendance and declared the Meeting adjourned at 12.00 a.m.

Signed _____ (Signature) Chairman
(Mr. Suthep Peetakanont)

Signed _____ (Signature) Secretary to the Meeting
(Miss Kridsana Kulpanyalert)

(Minutes of the Annual General Meeting of Shareholders No. 1/2562 (Not adopted by the Shareholders' Meeting yet))

(F10-6) (After the resolutions of Board of Directors has been approved)

(-Translation-)

Form of Report on Delisting of Shares

Capital Nomura Securities Public Company Limited
3 October 2019

Attn: President
The Stock Exchange of Thailand

The Board of Directors Meeting of Capital Nomura Securities Public Company Limited (the "**Company**") No. 10/2019, held on 3 October 2019, at 10.00 a.m. at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Sathorn, Bangkok has passed resolutions to approve to propose for the delisting of the Company's securities from the Stock Exchange of Thailand (the "**SET**"). The details are as followed.

1. Type of Securities of the Company

1.1 Ordinary shares

1.1.1 In the amount of 2,150,469,000 shares at the par value of Baht 1 per share, totaling Baht 2,150,469,000

1.1.2 Becoming listed securities on the SET since 26 April 1988

1.1.3 The latest trading price: Baht 1.55 per share on 3 October 2019

1.2 Debentures

- None -

1.3 Warrants

- None -

1.4 Other types of securities (please specify)

- None -

2. Date of presentation to make recommendations concerning delisting of shares

The Company and the independent financial advisor will conduct the presentation at the Company's Extraordinary General Meeting of Shareholders No. 1/2562 on 27 November 2019, 10.00 a.m., at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Sathorn, Bangkok.



3. Date of shareholders meeting for delisting of shares

The Extraordinary General Meeting of Shareholders No.1/2562 will be held on 27 November 2019, 10.00 a.m., at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Sathorn, Bangkok.

- ☒ the list of shareholders who are entitled to attend the Shareholders' Meeting (Record Date) will be determined on 18 October 2019.
- ☐ the closing date of shareholder's register book for determination of shareholders who are entitled to attend the meeting is on.....until the end of the meeting.

4. Reasons and facts concerning the delisting of shares

Nomura Group (including Nomura Holdings, Inc. ("Nomura HD"), the parent company of NAIS and its subsidiaries and affiliates) and Capital Nomura Securities Public Company Limited ("CNS") have built a closer and stronger relationship since CNS became NAIS's subsidiary in 2014 following a tender offer by NAIS.

Nomura Group believes that by delisting CNS and further strengthening relationships within Nomura Group, it will be able to more flexibly implement its business strategy and accelerate decision-making. This will help to provide higher value-added services to its clients.

5. The general offer to purchase shares and other securities convertible into shares of the Company from the shareholders and holders of securities

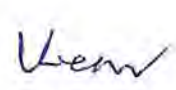
5.1 The offeror or group of offerors and relationship with the Company:

Nomura Asia Investment (Singapore) Pte. Ltd., a major shareholder of the Company, holding 1,844,659,931 shares of the Company, representing 85.78 percent of the Company's total paid-up shares as of 19 March 2019

5.2 Offer price of securities: Baht 2.51 per share

5.3 Name of financial advisor of the offeror: Nomura International (Hong Kong) Limited

5.4 Name of independent financial advisor: Grant Thornton Services Limited



6. Shareholders Distribution as at 19 March 2019

6.1 Top ten major shareholders

Name	Nationality	Occupation	No. of Shares Held	Shareholding Percentage
1. Nomura Asia Investment (Singapore) Pte. Ltd.	Singapore	-	1,844,659,931	85.78
2. Mr. Wachira Thayanaraporn	Thai	-	35,999,900	1.67
3. Mrs. Kunthong Udommahuntisuk	Thai	-	20,000,000	0.93
4. Mr. Mongkol Udompetcharaporn	Thai	-	17,688,000	0.82
5. Mr. Chattri Sophonpanich	Thai	-	14,193,000	0.66
6. Mr. Rabil Sophonpanich	Thai	-	13,563,000	0.63

6.2 Number of shareholders

- All of shares in the Company are held by 2,582 persons, in an amount of 2,150,469,000 shares
- Number of minority shareholders who held shares of not more than 5 out of 1,000 of the total paid-up capital, which is not lower than 1 trading unit: 2,370 persons, aggregately holding 204,361,925 shares, representing 9.5 percent of the total issued shares.

7. Board of Directors of the Company as at 3 October 2019

Name	Position	Shareholding Percentage
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	0%
2. Mr. Katsuya Imanishi	President	0%
3. Mr. Shinya Yokoyama	Executive Director	0%
4. Mrs. Chrisana Sae-Leiw	Executive Director	0%
5. Mr. Yuji Hibino	Director	0%
6. Mr. Philip Wing Lun Chow	Director	0%
7. Mrs. Danuja Kunpanitchakit	Chairperson of the Audit Committee and Independent Director	0%
8. Col. Ruangsub Kovindha	Audit Committee Member and Independent Director	0%
9. Mr. Prasert Virasathienpornkul	Audit Committee Member and Independent Director	0%
10. Mr. Prasit Kanchanasakdichai	Independent Director	0%

We confirm that the information contained in this report is accurate and complete in all respects.

Signature Authorized director

(Mr. Suthep Peetakanont)

Chairman of the Board of Directors

and Chairman of the Board of Executive Directors



(Authorized directors' signature together

with the affixed seal of the Company)

Signature Authorized director

(Mr. Shinya Yokoyama)

Executive Director

บริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)
CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED

[Translation]

5 November 2019

Subject: Opinion of the Independent Directors regarding the Delisting of the Company's Securities from the Stock Exchange of Thailand

To: Shareholders of Capital Nomura Securities Public Company Limited

Capital Nomura Securities Public Company Limited ("**Company**") received a letter dated 2 October 2019 from Nomura Asia Investment (Singapore) Pte. Ltd. ("**NAIS**"), holder of 85.78 percent of the total issued shares of the Company and a wholly owned subsidiary of Nomura Holdings, Inc. (Nomura HD), which holds 100 percent shares in NAIS, proposing the delisting of the Company's securities from the Stock Exchange of Thailand (the "**SET**") through a tender offer to purchase all shares of the Company and requested that the Company proceed with any necessary and appropriate actions in relation to the process of delisting in accordance with the regulation regarding delisting of securities. In this regard, if the Company obtains approvals from the shareholders' meeting and the relevant regulators for the delisting, NAIS will be the offeror to make the tender offer for all remaining securities of the Company which are not held by NAIS, in order to delist the securities of the Company from the SET, in accordance with the Notification of the Capital Market Supervisory Board and other relevant rules, at the tender offer price of 2.51 Baht per share which is a price not lower than the highest calculated price in accordance with the Notification of the Capital Market Supervisor Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (the "**Notification No. TorChor. 12/2554**"). On this subject, the Board of Directors of the Company has in its meeting No. 10/2019, held on October 3, 2019, resolved to propose to the shareholders' meeting to consider and approve the delisting of the Company's securities from the SET.

In this regard, NAIS will conduct the tender offer to purchase total securities of the Company in order to delist the securities of the Company from the SET after all of the following conditions are satisfied or waived:

1. The shareholders' meeting of the Company passes a resolution approving the delisting of securities of the Company from the SET with the vote not less than three-fourths of the total issued shares of the Company, and also no objections from shareholders holding shares, in aggregate, exceeding 10 percent of the total issued shares of the Company; and
2. The delisting of securities of the Company from the SET has been approved and/or the approval is waived by the related authorities, including the SET, and other counterparties in related agreement (if necessary).

We, the Independent Directors of the Company which comprise of; **(1) Associate Prof. Dr. Danuja Kunpanitchakit (2) Col. Ruangsub Kovindha, (3) Mr. Prasert Virasathienpornkul, and (4) Dr. Prasit Kanchanasakdichai**, have considered various information relevant to the delisting of the Company's securities from the SET, which include the opinion of Grant Thornton Services Limited, who acts as the Independent Financial Advisor ("**IFA**"), as follows:

1 / 4

1. The Impact on Minority Shareholders

In case the shareholders' meeting of the Company and the SET approve the delisting of the Company's securities from the SET, the existing minority shareholders who still hold the shares of the Company after the delisting may be affected by the following:

- (1.1) **Lack of Liquidity and Pricing Reference for Securities Trading.** The Shareholders will no longer have access to the secondary market through the SET, which is widely recognized channel. This will result in illiquidity for trading of the Company's share, as there is no recognized or reliable price reference benchmark. The opportunity that shareholders will receive capital gain from trading will be limited. However, the shareholders may still receive benefits in the form of dividend, if there is any announcement for dividend payment by the Company after the delisting.
- (1.2) **No Capital Gain Tax Incentive.** Where the shareholder is an individual, the shareholders will not be tax exempted from capital gain when the shareholders sell the shares.
- (1.3) **Less Disclosures from the Company.** The shareholders will have less access to the Company's news and information as the Company will no longer be obligated to provide information as required for a listed company under the relevant rules, notifications, regulations, and laws, for instance, the Regulation of the SET regarding Rules, Conditions, and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company. In addition, the Company will have no obligation to comply with the provisions of the Securities and Exchange Act regarding the Governance of a listed company which includes the obligation to disclose information on significant transactions regarding the acquisition or disposal of asset and criteria to enter into the connected transactions.

2. The Impact to the Company

After delisting the securities of the Company from the SET, the Company will still operate the Securities Brokerage Business, Derivatives Brokerage Business, Investment Banking Business, Debt Instruments Trading Business, Securities Borrowing and Lending Business and Mutual Fund Selling Agent business and others. However, the delisting from the SET may affect the business and management of the Company as follows:

- (2.1) **Fundraising through the SET.** After delisting from the SET, the Company will no longer be able to raise fund through the SET for investment purposes or to use as working capital of the Company. However, in the future, if the Company wishes to acquire additional funds, the Company may need to request funding from NAIS, the major shareholder of the Company and Nomura HD, which hold 100% of NAIS's share.

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- (2.2) More flexibility in business operations. After the Company has been delisted, the Company no longer needs to disclose information in accordance with the rules and regulation of the Securities Exchange Commission (SEC) or the SET which stipulates obligation of listed companies, e.g. information regarding merger, investment or joint venture, acquisition or disposal of asset, enabling the company's operation to be more efficient, with faster decision-making and possibly improving business competitiveness.
- (2.3) Decrease in expenses and fees related to the maintenance of status as a listed company.
- (2.4) The voluntary tender offer by NAIS on April 25, 2014 resulted in NAIS acquiring a total of 1,844,659,931 shares or 85.78 of all the Company issued shares, preventing the Company from complying with the Regulation of the Stock Exchange Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015) Chapter 6 on the maintenance of status as a listed company on the Stock Exchange, which requires a listed company to maintain its qualification with respect to the distribution of shareholdings (Free Float) where the minority ordinary shareholders shall not be less than 150 persons with aggregate shareholding not less than 15 percent of the paid-up capital of the listed Company which caused the Company to pay a progressive fee on an annual basis. After the delisting, the Company will no longer be subject to the said free float requirement therefore such fee will not be incurred.

3. Appropriateness of the Tender Offer Price

The tender offer to purchase the securities of the Company to delist its ordinary shares from being listed securities at price of 2.51 Baht per share is higher than the price range determined by Grant Thornton Services Limited, the IFA. The tender offer price is not lower than the highest calculated price based on criteria specified by Notification of the Capital Market Supervisory Board No. **TorChor.** 12/2554 and is the price that the IFA opined as appropriate due to its being higher than the fair price of the Company ordinary shares calculated with Price to Book Value Ratio Approach which is in the range of 2.00 -2.45 Baht per share.

After considering the abovementioned reasons, the Independent Directors opine that:

1. The delisting of the Company's securities from the SET is appropriate.
2. The tender offer price of 2.51 Baht per share is higher than the price range determined appropriate by Grant Thornton Services Limited, the IFA.

บริษัทหลักทรัพย์โนมูระ พัฒนสิน จำกัด (มหาชน)
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It should be noted that, the opinion of the independent directors is to be considered as part of the information for the shareholders' consideration. The final decision rest with the shareholders' careful discretion. The shareholders should also review the report on the opinion of the IFA in considering and approving the delisting of the Company's securities from the SET.

Please be informed accordingly.

Yours Sincerely,

-Signed-
Associate Prof. Dr. Danuja Kunpanitchakit
(Independent Director)

-Signed-
Col. Ruangsub Kovindha
(Independent Director)

-Signed-
Mr. Prasert Virasathienpornkul
(Independent Director)

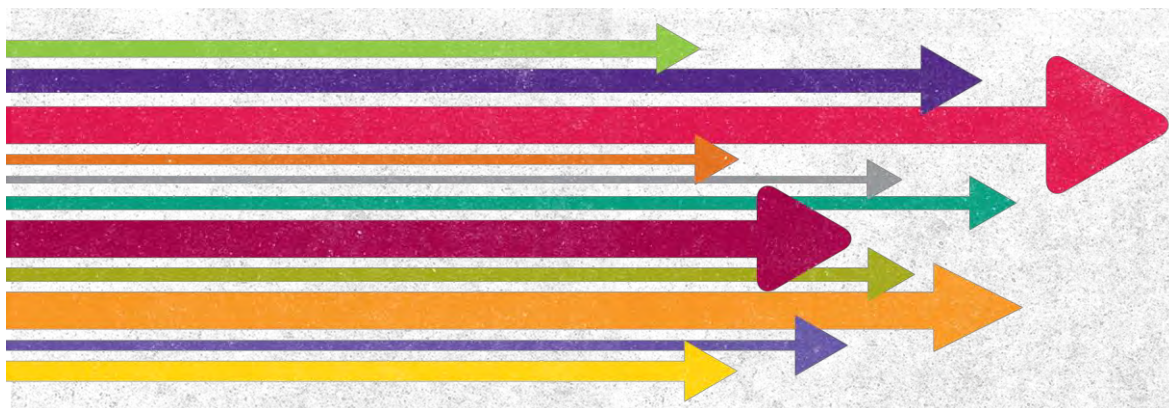
-Signed-
Dr. Prasit Kachanasakdichai
(Independent Director)

-TRANSLATED VERSION-

NOMURA Capital Nomura Securities Public Company Limited

Opinion of the Independent Financial Advisor Regarding the Voluntary Delisting of Securities from the Stock Exchange of Thailand

4 November 2019



The English Translation of the Opinions of the Company has been prepared solely for the convenience of foreign shareholder of Capital Nomura Securities Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Opinion of the Company is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this translation

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Glossary

Entities / Organizations

Company or CNS or Business
Form 10-6
Opinion Report of the Independent Financial
Advisor or Opinion Report
Tender Offeror or NAIS
GTSL or IFA or Independent Financial Advisor
SEC
SET
Regulation of SET or Notification of the SET
regarding Delisting of Securities
Regulation of SET: Listing

Notification on Acquisition of Securities for
Business Takeover or Notification TorJor. 12/2554
TorJor. 44/2556
Letter of Intention

Nomura HD
ASP
CGH
FSS
KGI
MBKET
TNITY

Description

Capital Nomura Securities Public Company Limited
Form of Report on Delisting of Shares
Opinion Report of the Independent Financial Advisor to provide opinion to the shareholders of
the Company on the Tender Offer
Nomura Asia Investment (Singapore) Pte. Ltd
Grant Thornton Services Ltd.
The Securities and Exchange Commission
The Stock Exchange of Thailand
The regulation of the Stock Exchange of Thailand Re: Delisting of Securities, 1999

The regulation of the Stock Exchange of Thailand Re: The Repeal of the Provisions in relation
to Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015)
Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules on
Acquisition of Securities for Business Takeover (as amended) dated 13 May 2011
Notification of the Capital Market Supervisory Board No. TorJor. 44/2556
Letter of Intention with respect to the making of a tender offer for the entire securities of the
Company for delisting the securities of the Company from the Stock Exchange of Thailand
Nomura Holdings, Inc.
Asia Plus Group Holdings Public Company Limited
Country Group Holdings Public Company Limited
Finansia Syrus Securities Public Company Limited
KGI Securities (Thailand) Public Company Limited
Maybank Kim Eng Securities (Thailand) Public Company Limited
Trinity Watthana Public Company Limited

Others

Ke
CAPM
VWAP
P/BV Ratio
P/E Ratio
DDM
EV
FCFF
Terminal Value
WACC
Sensitivity Analysis

Cost of Equity which is derived from Capital Asset Pricing Model (CAPM)
Capital Asset Pricing Model; the relationship between systematic risk and expected return
Volume Weighted Average Price Approach
Price to Book Value Ratio Approach
Price-to-Earnings Ratio Approach
Dividend Discount Model
Enterprise Value
Free Cash Flow to Firm
Value of expected cash flow beyond the explicit forecast horizon
Weight Average Cost of Capital
Technique used to determine how different values of an independent variable impact a
particular dependent variable under given assumption



4 November 2019

Re Opinion of the Independent Financial Advisor regarding a Voluntary Delisting of Securities from the Stock Exchange of Thailand

To The Board of Directors and Shareholders of Capital Nomura Securities Public Company Limited

According to the event that Capital Nomura Securities Public Company Limited ("CNS" or the "Company") has received Letter of Intention dated 2 October 2019 from Nomura Asia Investment (Singapore) Pte. Ltd ("NAIS" or the "Offeror"), a major shareholder of the Company holding 1,844,659,931 shares, equivalent to 85.78 percent of total issued and paid-up shares of the Company. The said letter declared the intention for delisting of the securities of the Company from the Stock Exchange of Thailand (the "SET") via Tender Offer by NAIS. Nomura Group (including Nomura Holdings, Inc. ("Nomura HD"), the parent company of NAIS and its subsidiaries and affiliates), and CNS have developed a closer and stronger relationship since CNS became NAIS's subsidiary in 2014 following a tender offer by NAIS. Due to stable economic growth in Thailand, Nomura Group decided to have NAIS increase its proportion of shares in the Company and delist the securities of the Company from the SET in order to further develop the relationship between the companies in Nomura Group to be closer and stronger. This will help to provide more flexible implementation of its business strategy, accelerate decision-making as well as help provide higher value-added services to its clients.

According to the reasons stated above, the meeting of the Board of Directors No. 10/2019 held on 3 October 2019 has resolved to propose to the Extraordinary General Meeting of Shareholders for the approval of the voluntary delisting of the Company's securities from being the listed securities in the SET. NAIS, the major shareholder of the Company, will be the Offeror who makes a tender offer for the entire securities of the Company for the delisting.

Thus, the Company has appointed Grant Thornton Services Limited ("GTSL" or "IFA") as the Company's Independent Financial Advisor to provide an opinion to the shareholders of the Company regarding the delisting of the securities of the Company from being the listed company in the SET. To render the opinion, the IFA has based its information on the Company's data and information as detailed in Section 2: Practice and information used in the preparation of the IFA's opinion. The IFA has no reasons to doubt that the received information lacks accuracy and completeness which may significantly affect the opinion rendered. This report is based on the current economic and market conditions as well as the information and documents received during the period of preparation of the IFA's opinion. In the event of significant changes to such information in the future, which may affect the opinion of the IFA, the IFA has no obligations to update, review or affirm the IFA's opinion.



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Shareholders of the Company should carefully study the details of the disclosure of information related to the transaction at this time, including the opinion of the Independent Directors, report of the IFA's opinion, along with the documents attached to an invitation letter of the Extraordinary General Meeting of Shareholders No. 1/2019 for consideration of the delisting of the Company's securities from being the listed securities in the SET. In providing an opinion to the minority shareholders, the IFA has considered the appropriateness of the price. Reasons that support the decision of shareholders to consider and approve the delisting of the Company's securities from being the listed securities in the SET are summarized in the following pages of this report.

1. Executive Summary

According to the event that Capital Nomura Securities Public Company Limited (“CNS” or the “Company”) has received the Letter of Intention dated 2 October 2019 from Nomura Asia Investment (Singapore) Pte. Ltd (“NAIS” of the “Offeror”), a major shareholder of the Company by holding 1,844,659,931 shares, equivalent to 85.78 percent of total issued and paid-up shares of the Company. NAIS has declared its intention to make a tender offer for the entire securities of the Company in order to delist the securities of the Company from the Stock Exchange of Thailand (the “SET”).

In this regard, the meeting of the Board of Directors No. 10/2019 held on 3 October 2019 has resolved to propose to the shareholders to consider and approve the voluntary delisting of the Company’s securities from being the listed securities in the SET. NAIS, the major shareholder of the Company, will be the Offeror who makes a tender offer for the entire securities of the Company for the delisting at the price of THB 2.51 per share. Thus, the Company has appointed Grant Thornton Services Limited (“GTSL” or “IFA”) as the Company’s Independent Financial Advisor to provide an opinion to the shareholders of the Company regarding the delisting of the securities of the Company from being the listed company in the SET. **Independent Financial Advisor is of the opinion that the voluntary delisting of the Company from Stock Exchange of Thailand at the tender offer price of THB 2.51 per share is appropriate.** The key reasons that support this opinion can be summarised as follows:

1. The IFA views that the appropriate valuation method is Price to Book Value Ratio Approach, a method that considers the book value of a company. This method is appropriate where assets mainly consists of cash and high liquid assets such as receivables from securities business and investments in debt and equity securities which can be used to reflect the current value of the Company. This method also reflects the value that investors expect from investing in the securities company compared to the book value of securities companies that have similar balance sheet structure so that they can be compared. Therefore, using the price to book value ratio of the securities company group to assess the value of the ordinary shares of the business can be used as a basis for determining the appropriate share value. Using the Price to Book Value Ratio Approach, the Company’s valuation is between THB 2.00 - 2.45 per share, lower than the offering price by 2.22 – 20.20 percent. Thus, the IFA is of the opinion that the tender offer price of THB 2.51 baht per share is higher than the value by THB 0.06 - 0.51 per share. Therefore, the tender offer price is deemed appropriate.
2. The Company has not maintained the qualifications required to maintain the status of a listed company in accordance with the regulation of the SET Re: Listing of Ordinary Shares or Preferred Shares as listed Securities B.E. 2558 (and its amendments), which requires the listed company to maintain not less than 150 minority shareholders, whose shares in aggregate shall not be less than 15 percent of total issued and paid-up shares of the listed company (the “Criteria”). At the present, there are minority shareholders holding a combined share of approximately 14.18 percent of total issued and paid-up shares of the Company, which is already lower than the minimum requirements. In addition, NAIS, a major shareholder of the Company, has an intention to acquire additional shares of the Company in the future therefore causing the Company to be ineligible to maintain the status of a listed company

in the SET regarding the distribution of shares in accordance with the regulation of the SET in a topic of listing of securities.

3. To reduce the risk of minority shareholders from not being able to balance the power of the Offeror, the major shareholder of the Company who held the Company's shares of 1,844,659,931 shares, equivalent to 85.78 percent of total issued and paid-up share of the Company, indicates that NAIS has absolute control in the Company. Moreover, subsequent to the delisting from being the listed securities, NAIS wishes to acquire additional shares of the Company. Therefore, the minority shareholders will not have a balance of power in the management of the Company. The result of the lack of power in the balance of business management can be divided in the following cases:
 1. The minority shareholders have the right to vote less than 25% of the total votes of the shareholders who attend the meeting and are eligible to vote, they will not be able to counter balance the major shareholders on such items as capital increase, capital decrease, merger, acquisition and disposition of assets, and the issuance of corporate debentures, except in the case that the major shareholder has a conflict of interest and cannot vote for the transaction.
 2. The minority shareholders have the right to vote less than 10% of the total issued shares, they will not be able to oppose the major shareholders in the event that the securities will be delisted.
 3. The minority shareholders have the right to vote less than 10% of the total votes of the shareholders who attend the meeting and are eligible to vote. The objection rights of the shareholders in various items will be eliminated such as the offering of new shares at a low price and the issuance and offering of securities for directors and employees.
 4. The minority shareholders have the right to vote less than 10% of the total votes of the shareholders who attend the meeting and are eligible to vote. The rights to oppose the shareholders to issue and offer securities to directors and employees more than 5 percent and the price is lower than the market price will be depleted.
4. The Company will be able to operate the business with greater flexibility as there is no need for the Company to disclose information according to rules and regulations of the SEC and the SET regarding the roles and responsibilities of the listed companies after the delisting of the securities. This will help accelerate the decision-making process on investment or expansion of investment, as well as the consideration of entering into transactions, which will increase the competitive advantages of the Company.
5. The Company has no need to raise capital via the SET as shown by the Company's historical performance. The Company managed liquidity effectively by borrowing money from financial institutions to be used for working capital over the past year.
6. The average daily trading volume of the Company's shares in the past is at a low level which may result in minority shareholders being affected by the lack of liquidity and therefore unable to sell the securities of the Company at a reasonable price or in the desired period. Hence, the tender offer for the securities of the Company to delist the ordinary shares of the business from being listed securities

at the offering price of THB 2.51 is offering alternatives to minority shareholders to sell their shares at an appropriate price in order to reduce the risk of lack of liquidity in the future.

7. To reduce expenses associated with maintaining the status of a listed company in the SET.
8. Options for minority shareholders to reduce risks and other impacting factors that may occur after the business ceased being a listed company in the SET, such as:
 1. Lack of liquidity in the trading of securities of the business since the ordinary shares of the business do not have a secondary market for trading and there is no market price for trading reference.
 2. The shareholders will have the chance to receive less return in the form of capital gain and do not receive tax benefits for the exemption of capital gains from the sale of securities (Capital Gains Tax) since there is no reference price and secondary market. The form of return will be limited to dividends only if the company has declared dividends.
 3. The channels of receiving the Company's information may be significantly reduced since subsequent to the delisting from being the listed company in the SET, the Company will no longer have obligations to disclose information in accordance with the Notification of the SET in a topic of practices regarding the disclosure of information and other acts of listed company or the disclosure of any information applicable to listed company which impacts directly to the shareholders of the Company in terms of limited access to the Company's news and information. Moreover, if, after this delisting tender offer, other shareholders, who are not the Offeror, persons acting in concert and related persons under Section 258, hold a shareholding in an aggregate of not more than 5% of total issued and paid-up shares of the Company or the total number of shareholders is not over 100, the Company terminates the obligation to prepare and submit its financial statements and reports on its financial position and operating results to the SEC pursuant to the Capital Market Supervisory Board's Notification No. TorChor. 44/2556 Re: Rules, Conditions and Procedures for Disclosure of Financial Position and Operating Performance of Securities Issuing Companies. At the same time, the Company's directors, the management and auditor will not be required to prepare and submit a report on their holding of the Company's securities.

Based on all reasons and information of this report, the IFA is of the opinion that the shareholders should **approve** the delisting of ordinary shares of the Company from the Stock Exchange.

Nonetheless, in considering this Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. **The final decision depends on the shareholders' individual judgment.**

The Independent Financial Advisor's opinion is based on the assumption that all information considered was complete and accurate and reflects the operating environment and most up-to-date information at the time of issuance of this report. Any changes in the information used to formulate an opinion could have a significant impact on the valuation, the Independent Financial Advisor's opinion and the decision of the shareholders. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the

IFA should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

2. Approach and Information Used in the Preparation of the IFA's Opinion

Grant Thornton Services Ltd., as an independent financial advisor approved by the Securities and Exchange Commission and independent from the Company, has considered and studied information related to the Tender Offer based on the Company's information and other relevant information that has been provided by the Company or is publicly available, including:

- Letter of Intention with respect to the making of a tender offer for the entire securities of the Company and for delisting the securities of the Company from the Stock Exchange of Thailand of Capital Nomura Securities Public Company Limited from Nomura Asia Investment (Singapore) Pte. Ltd as at 2 October 2019
- Resolution of the Board of Directors Meeting No. 10/2019 of Capital Nomura Securities Public Company Limited
- Report form for delisting shares from being listed securities (F10-6)
- Annual registration statement (Form 56-1) of the Company
- Auditor's reports and financial statements for the years ending 31 December 2016 – 2018 and the reviewed financial statements for the 2nd quarter ending 30 June 2019.
- Financial projection and underlying assumptions
- Documents, information and other contracts related to the Transaction
- Interview with CNS's executives and relevant staff
- Statistical data regarding the SET, economic conditions, and relevant industries

The IFA's opinion is based on the assumption that information, documents, and draft agreements, as well as interviews with the management and officers of the Company and related companies are true and correct. The IFA has considered and studied the information with prudence and exercise reasonable care according to professional conduct.

In addition, the IFA assumes that the agreements and business arrangements are enforceable and legally binding without any information, incident, or conditions that may affect the Tender Offer. Nonetheless, there is no probable cause for the IFA to believe that such information is materially incomplete to the extent that the validity of the information received may be significantly affected.

The IFA's opinion is expressed based on the current economic condition and other factors at the time of the preparation of this report. Such information may materially change in the future and affect the IFA's opinion. Nevertheless, the IFA has no obligations to update, review or confirm the IFA's opinion herein.

The IFA's opinion is prepared for the use and benefits of the Company's shareholders. The decision to accept or reject the Tender Offer is subject to the shareholders' discretion. The shareholders should study the information attached to the opinion of the independent director in order to exercise their own discretion in determining the appropriate resolution.

3. Background and Details of the Delisting of the Securities from being the Listed Securities

3.1. Facts and Reasons of Delisting of Securities

As Capital Nomura Securities Public Company Limited has received the Letter of Intention dated 2 October 2019 from Nomura Asia Investment (Singapore) Pte. Ltd, a major shareholder of the Company by holding 1,844,659,931 shares, equivalent to 85.78 percent of total issued and paid-up shares of the Company. The said letter declared the intention for delisting of the securities of the Company from the Stock Exchange of Thailand (the "SET") via Tender Offer by NAIS as Nomura Group (including Nomura Holdings, Inc. ("Nomura HD"), the parent company of NAIS and its subsidiaries and affiliates), and CNS have built a closer and stronger relationship since CNS became NAIS's subsidiary in 2014 following a tender offer by NAIS. Due to stable economic growth in Thailand, Nomura Group decided to have NAIS increase its proportion of shares in the Company and delisting the securities of the Company from the SET in order to further develop the relationship between the companies in Nomura Group to be closer and stronger. This will help to provide more flexible implementation of its business strategy and accelerate decision-making as well as help to provide higher value-added services to its clients.

NAIS, as the Offeror, will be able to make a tender offer for the entire securities of the Company for the delisting of the Company's securities from being the listed company in the SET under the condition that the following conditions precedent are satisfied or waived:

- (1) The shareholders' meeting of the Company resolves to approve the delisting of the Company's securities from being the listed securities in the SET. The Extraordinary General Meeting of Shareholders No. 1/2019 will be held on 27 November 2019 at 10:00 hours at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Sathorn, Bangkok.
- (2) The delisting of the Company's securities from being the listed securities in the SET shall be approved by the SET.

The Offeror intends to make a tender offer for the entire securities of the Company at the price of THB 2.51 per share, which is subject to price adjustment (if any) as a result of (1) the Company distributes a dividend to its shareholders, (2) the Company changes the par value of its shares, (3) the Company grants the rights to purchase the newly-issued shares through rights offering or issuance of the transferrable subscription rights in accordance with Section 40 of the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the "Notification on Acquisition of Securities for Business Takeover"). In addition, such offer price is not lower than the highest price calculated based on the criteria on the determination of offer price with respect to the delisting of securities, pursuant to the criteria prescribed under Notification TorJor. 12/2554.

In addition, according to the Regulation of SET Re: Delisting of Securities B.E. 2542 dated 9 December 1999 (the "Notification of the SET regarding Delisting of Securities"), subsequent to the Company being approved to delist securities, the Company must finish the period of tender offer within the maximum period imposed by the SEC which is set at 45 working days. If the tender offer is completely approved, NAIS will make an offer to purchase shares and other securities which may convert the rights of shares of the Company from shareholders and securities holders in general.

3.2. Information Summary of Capital Nomura Securities Public Company Limited

Details are shown in the Appendix of this Independent Financial Advisor's Opinion report.

4. Independent Financial Advisor's Opinion on the Delisting of Securities

4.1. Reasons and Appropriateness

4.1.1. The company is unable to maintain the qualification to maintain the status of listed company

The Company has not maintained the qualifications as required to maintain the status of a listed company in accordance with the regulation of the SET Re: Listing of Ordinary Shares or Preferred Shares as listed Securities B.E. 2558 (and its amendments) ("Regulation of SET: Listing"), Clause 6, maintaining the status of a listed company in the SET, Article 64, which requires the listed company to maintain the qualification of share distribution by maintaining not less than 150 minority shareholders, whose shares in aggregate shall not be less than 15 percent of total issued and paid-up shares of the listed company (the "Criteria"). For a list of shareholders of the Company whose names appeared on the shareholder register as at 19 March 2019, the Company had minority shareholders holding shares in aggregate of approximately 14.22 percent of total issued and paid-up shares of the Company. The number of shares held by the minority shareholders of the Company at present is already lower than the minimum requirements, which requires the listed company to maintain not less than 15 percent of total issued and paid-up shares of the listed company. In addition, NAIS, a major shareholder of the Company, has an intention to acquire additional shares of the Company in the future therefore causing the Company to be immediately unqualified to maintain the status of a listed company in the SET regarding the distribution of shares in accordance with the regulation of the SET in a topic of listing of securities.

Therefore, the delisting of securities from being the listed securities at this time will reduce the risk of the Company being unable to maintain its status as a listed company in according with the regulations of the SET.

4.1.2. Monitoring and balancing the control of business by major shareholders

From the shareholding data of the Company as of 19 March 2019, NAIS, the major shareholder of the Company who held the Company's shares of 1,844,659,931 shares, equivalent to 85.78 percent of total issued and paid-up share of the Company which showed that NAIS has absolute control in the Company. Moreover, subsequent to the delisting from being the listed securities, NAIS wishes to acquire additional shares of the Company. Therefore, the minority shareholders will not have a balance of power in the management of the Company. The result of the lack of power in the balance of business management can be divided in the following cases:

1. The minority shareholders have the right to vote less than 25% of the total votes of the shareholders who attend the meeting and are eligible to vote, they will not be able to counter balance the major shareholders on such items as capital increase, capital decrease, merger, acquisition and disposition of assets, and the issuance of corporate debentures, except in the case that the major shareholder has a conflict of interest and cannot vote for the transaction.
2. The minority shareholders have the right to vote less than 10% of the total issued shares, they will not be able to oppose the major shareholders in the event that the securities will be delisted.
3. The minority shareholders have the right to vote less than 10% of the total votes of the shareholders who attend the meeting and are eligible to vote. The objection rights of the shareholders in various

items will be eliminated such as the offering of new shares at a low price and the issuance and offering of securities for directors and employees.

4. The minority shareholders have the right to vote less than 10% of the total votes of the shareholders who attend the meeting and are eligible to vote. The rights to oppose the shareholders to issue and offer securities to directors and employees more than 5 percent and the price is lower than the market price will be depleted.

4.1.3. More ease and flexibility for business administration

Delisting from being a listed company in the SET will allow the Board of Directors and/or the management of the Company to administrate the business with greater flexibility as there is no need for the Company to disclose information according to rules and regulations of the SEC and the SET regarding the roles and responsibilities of the listed companies after the delisting of the securities. This will help speed up the decision-making process on investment or expansion of investment, as well as, the consideration of entering into transactions, which will increase the competitive advantages of the Company. In addition, the entry of financial technology (FinTech) will, to some extent, affect the capital market structure of the industry. For instance, the banking business that has been affected by financial technology which leads to the cancellation of online money transfer fees. Therefore, securities trading businesses that have a proportion of income from securities trading fees themselves may also be affected. Hence, in the future, the Company may have to invest and cooperate more with the network of Nomura Group in order to increase the ability to offer better services to the customers of the Company.

However, as a public company, the company still has duty to follows rules and regulation in accordance with Limited Public Company Act B.E. 2535

4.1.4. No reliance on raising funds through the Stock Exchange

The Company has no need to raise capital via the SET. Over the past years, the Company has effectively managed liquidity in the business operation by borrowing money from financial institutions to be used for working capital. In addition, the Company has NAIS as the major shareholder with the shareholding of 85.78 percent of total issued and paid-up shares of the Company. Therefore, if there is a requirement to raise capital in the future, NAIS, as the major shareholder of the Company and as a 100% subsidiary of Nomura Holding Inc ("Nomura HD"), will be able to support the Company.

4.1.5. Low liquidity securities

The proportion of shares held by minority shareholders (Free Float), not including the number of shares of the major shareholders, total 305,809,069 shares or 14.18 percent of the total issued and paid-up shares of the Company. According to the 360 day trading data of the Company, from the date of the disclosure of the resolution of the Board of Directors regarding the request to delist the securities, the daily trading volume was low, representing an average percentage of 0.003 of the total paid-up shares of the Company or equal to 0.023 percent of the number of shares of the minority shareholders (Free Float).

4.1.6. Reduce costs and fees associated with maintaining a listed company status

In the past, the Company has had to incur expenses associated with maintaining the status as a listed company in the SET. Most of these expenses arise from annual fees, expenses of the arrangement of

shareholders' meetings, and expenses of disclosure of information to the shareholders. If the Company delists its securities from being the listed company, these expenses will be reduced.

4.2. Conditions Precedent for Delisting Securities

4.2.1. Obtaining the approval from the shareholder's meeting of the Company

In order to delist the Company's securities from being the listed securities, the Transaction must be approved by the resolution of the shareholders' meeting or proxies of shareholders (if any) who attend the meeting and are entitled to vote with the votes of not less than three - fourths of total issued and paid up shares of the Company and there must not be shareholders who oppose the transaction of more than 10 percent of total issued and paid-up shares of the Company. The Company will collaborate with the IFA to arrange a meeting for the presentation to the shareholders' in order to provide an opinion on the delisting of the Company's securities. The Extraordinary General Meeting of Shareholders will be held on 27 November 2019 at 10:00 hours at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Sathorn, Bangkok.

4.2.2. Obtaining the approval of delisting securities from the SET

After the shareholders' meeting has resolved to approve the delisting of the Company's securities from being the listed securities in the SET, the Company is required to apply for the delisting of securities to the SET Board of Governor for consideration and approval of the delisting of the Company's securities. The SET Board of Governor will consider the request and announce the result of consideration to the Company within 30 days from the date that the SET received the accurate and complete documents from the Company

4.2.3. Tender offer

According to the regulations of the SET Re: Delisting of Securities B.E. 2542, the "Notification of the SET regarding Delisting of Securities", subsequent to the Company being approved to delist securities, the Company must finish the period of tender offer within 45 working days which is the maximum period determined by the SEC or Capital Market Supervisory Board. According to the Letter of Intention to make a tender offer for the Company's securities for the delisting of securities from being the listed securities in the SET from Nomura Asia Investment (Singapore) Pte. Ltd dated 2 October 2019. NAIS, the major shareholder of the Company (with a shareholding of 1,844,659,931 shares, or equivalent to 85.78 percent of total issued and paid-up shares of the Company), has declared its intention to make a tender offer for the entire securities of the Company of 305,809,069 shares, or equivalent to 14.22 percent of total issued and paid-up shares of the Company for the delisting of the Company's securities from being the listed securities in the SET.

The Offeror intends to make a tender offer for the entire securities of the Company at the price of THB 2.51 per share, which in accordance with Section 40 of the Notification of the Capital Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the "Notification TorJor. 12/2554"), is subject to (If any) price adjustment as a result of (1) the Company distributing a dividend to its shareholders, (2) the Company changes the par value of its shares, (3) the Company grants the rights to purchase the newly-issued shares through a rights offering or issuance of the transferrable subscription right. In addition, such offer price is not lower than the highest price

calculated based on the criteria on the determination of offer price with respect to the delisting of securities, pursuant to the criteria prescribed under Notification TorJor. 12/2554.

4.3. The Impact on the Company and Minority Shareholders after Delisting of Ordinary Shares of the Company

4.3.1. Impact on the Company

Subsequent to the delisting of the Company's securities from being the listed securities, the Company still operates the business of providing services in relation to securities and investment banking services under the shareholding of NAIS. The delisting from being a listed company in the SET may impact on the business operation and administration of the Company, with the following key issues;

(1) Unable to raise funds through Stock Exchange

Subsequent to the delisting from being the listed company in the SET, the Company will no longer be able to raise capital via the SET or the offering of securities to the public for the expansion of investments or the use of fund raising as working capital of the Company. However, if the Company has necessity to raise additional capital in the future, the Company may request financial support from NAIS as the major shareholder of the Company and as a 100% subsidiary of Nomura Holding Inc ("Nomura HD").

(2) More ease and flexibility for business administration

As the Company no longer being required to disclose information in accordance with the regulations of the SEC and the SET regarding the roles and responsibilities of the listed companies after the delisting of the securities, the Company will be able to administrate the business with greater flexibility since the Company can decide to enter into transactions faster and also increase the competitive advantages of the Company.

(3) Less information distributed to investors and outsiders after delisting

Subsequent to the delisting from being the listed company in the SET, investors and/or third parties will have less access to and receive less of the Company's information than when the Company is being the listed company. Therefore, there may be an impact on the image of the Company from not being the listed Company in the SET but it will not affect the core business of the Company significantly as the Company will continue to engage in the securities and investment banking business, in which the Company's services are well accepted by the market and well known to people in general. In addition, the Company still has marketing and public relations plans to encourage consumers to receive the Company's information continuously.

(4) Reduce costs and fees associated with maintaining a listed company status

In the past, the Company had to incur expenses associated with maintaining the status as a listed company in the SET. Most of these expenses came from annual fees, expenses of the arrangement of shareholders' meetings, and expenses of disclosure of information to the shareholders. If the Company delists its securities from being the listed company, these expenses will be reduced.

4.3.2. Impact on the shareholders

(1) Lack of liquidity in trading of securities

When the Company delists from being the listed company in the SET, the Company's shares will no longer be traded in the SET, which is a secondary market. Therefore, the shareholders who wish to trade the Company's shares will not be able to trade flexibly. Moreover, the awareness about the adjustment of share prices or liquidity of the Company's shares will no longer be extensively prevalent.

(2) No tax exemption benefits

In case that the Company is still a listed company, the Company's shares is listed in the SET and capital gains from the sales of shares in the stock market will be considered as tax-exempt income. The seller has no obligation to include capital gains from the sales of shares in the calculation for filing personal income tax in accordance with the ministerial regulation No. 126 (B.E. 2509)¹ However, subsequent to the delisting from being the listed company in the SET, individual shareholders will no longer receive tax benefits for the exemption of capital gains tax. Individual shareholders who trade the Company's shares after the Company's securities are delisted from being the listed securities in the SET have to include capital gains from the sales of shares in the calculation for filing personal income tax at progressive rate. In addition, subsequent to the delisting from being the listed company in the SET and Thailand Securities Depository Company Co., Ltd. is no longer a securities registrar of the Company, the transferor of the Company's ordinary shares, both individuals and juristic persons, will not be exempted from stamp duty of 0.1 percent of the share's book value or the price on the transfer instrument (whichever is greater) as announced in the Royal Decree issued under the Revenue Code Governing Exemption from Revenue Taxes (No. 10) B.E. 2500 and amendments by the Royal Decree (No. 351) B.E 2542²

(3) The change in form of return on investment in securities

The opportunity for securities holders to receive a capital gain from trading securities will be limited because there is no secondary market for securities trading. However, shareholders will still receive returns in the form of dividends if they are announced after the Company's shares are delisted from being the listed securities.

(4) Shareholders receive less information

Subsequent to the delisting from being the listed company in the SET, the Company will no longer have obligations to disclose information in accordance with the Notification of the SET in a topic of practices regarding the disclosure of information and other acts of listed company or the disclosure of any information applicable to listed company which impacts directly to the shareholders of the Company in terms of limited access to the Company's news and information. Moreover, if, after this delisting tender offer, other shareholders, who are not the Offeror, persons acting in concert and related persons under Section 258, hold a shareholding in an aggregate of not more than 5% of total issued and paid-up shares of the Company or the total number of shareholders is not over 100, the

¹ Ministerial Regulation No. 126 (B.E. 2509) issued under the Revenue Code Governing Exemption from Revenue Taxes dated 23 February 1966, Clause 2 (23).

² Royal Decree issued under the Revenue Code Governing Exemption from Revenue Taxes (No. 10) B.E. 2500 and amendments by the Royal Decree (No. 351) B.E. 2542, effective from 26 March 1999 onwards.

Company terminates the obligation to prepare and submit its financial statements and reports on its financial position and operating results to the SEC pursuant to the Capital Market Supervisory Board's Notification No. TorJor. 44/2556 Re: Rules, Conditions and Procedures for Disclosure of Financial Position and Operating Performance of Securities Issuing Companies. At the same time, the Company's directors, the management and auditor will not be required to prepare and submit a report on their holding of the Company's securities in accordance with the SEC Notification No. SorChor. 12/2552.

However, the Company is still required to disclose and submit information as the Company is still a public company in accordance with the Public Limited Companies Act B.E. 2535. This will include data and information to be disclosed to the shareholders' meeting of the Company, annual report. Further, if the minority shareholders wish to know about the company affidavit, list of shareholders, and the annual financial statements of the Company, they can make a copy of the Company's information at the Ministry of Commerce.

(5) Less degree of monitoring and balancing the business management of major shareholders

According to the shareholding information of the Company as at 19 March 2019, NAIS, which is the major shareholder of the Company, held the Company's shares of 1,844,659,931 shares, or equivalent to 85.78 percent of total issued and paid-up share of the Company which showed that NAIS has an absolute control in the Company. Moreover, subsequent to the delisting from being the listed securities, NAIS wishes to acquire additional shares of the Company. If the minority shareholders of the Company sell additional shares to NAIS until NAIS has a shareholding in the Company of more than 90 percent of total issued and paid-up shares of the Company, NAIS will be able to set policies regarding the business administration, such as the adjustment of the structure of the business operation of the Company and its subsidiaries, and the dividend policy. Under this level of control, the minority shareholders will not be able to vote for inspecting or balancing the administrative power in accordance with the law due to the Articles of Association, Article 15, stating that in the arrangement of the shareholders' meetings other than the Extraordinary General Meeting, shareholders holding an aggregate of shares of not less than one-fifth of the total number of shares sold, or shareholders to a number of not less than twenty-five persons holding an aggregate of shares of not less than one-tenth of the total number of shares sold, may at any time make a requisition in writing for the Board of Directors to summon an extraordinary meeting, provided that the requisition clearly gives reasons for summoning the shareholders meeting. In such a case, the Board of Directors shall convene the shareholders meeting within one month from the date of receipt of such written requisition from the shareholders.

5. Opinion of Independent Financial Advisor on Offer Price

5.1. Practice and Information Used in the Preparation of the IFA's Opinion

The IFA's opinion is based on the assumption that information, documentation, agreements and draft agreements received, as well as interviews with management and relevant officers of CNS and related companies are true and accurate. The IFA has considered and examined such information with prudence and exercised reasonable care in accordance with appropriate professional standards. In addition, the IFA assumes that the agreements, draft agreements and business arrangements are enforceable and legally binding without any information or incident or conditions that may affect the Tender Offer. Nevertheless, there is no probable cause for the IFA to believe that such information is inaccurate or incomplete in any material way which may have significant impact on the validity of the information received.

The IFA's opinion is given on the bases of current industry situation, economic conditions and other external factors at the time of preparation of this report, including the information at its disposal which may subsequently change materially, thus altering the IFA's opinion. However, the IFA has no obligation to update, review or confirm the IFA's opinion expressed herein.

5.2. Valuation Methodologies

In the valuation of ordinary shares of CNS, the IFA considered the following 6 valuation approaches, namely

1. Book Value Approach
2. Adjusted Book Value Approach
3. Volume Weighted Average Price Value Approach
4. Price to Book Value Ratio Approach or P/BV Ratio
5. Price-to-Earnings Ratio Approach or P/E Ratio
6. Dividend Discount Model

5.2.1. Book Value Approach

Book value approach is the valuation of CNS by considering its accounting value at a given time by calculating its net assets (total assets minus total liabilities) or value of shareholders as stated in the consolidated financial statement of CNS as at 30 June 2019 which has been audited by certified accountants of EY Office Limited, a Securities and Exchange Commission-approved auditor. The book value of CNS as at 30 June 2019 can be calculated as follows:

Table 5-1: Book Value of CNS

	Value (THB million)
Issued and paid-up share capital (1)	2,150.47
Premium on ordinary shares (2)	2,133.32
Retained (loss) earnings	
- Appropriated-statutory reserve (3)	402.70
- Unappropriated (4)	490.20
Total shareholders' equity (6) = (1) + (2) + (3) + (4)	5,176.69
Number of issued and paid-up shares of CNS (Shares) ¹	2,150,469,000

	Value (THB million)
Book value per share (THB)	2.41

Remark: ¹ Par value of THB 1.00 with the total number of shares as at 30 June 2019

Share valuation using the book value approach reflects the financial position of the company according to the book value which appears in the financial statements at a given point in time. It does not reflect the fair value of some assets and important events that may have occurred after the financial closing date, price or demand and supply in the market. Neither does it reflect the business operation's ability to make future profit, its competitiveness, economic trend and industry overview. From the valuation of shares by the book value approach, the share valuation of the business operation is **THB 2.41 per share** which is lower than the tender price offer of THB 2.51 per share in the amount of THB 0.10 or 4.15 percent.

5.2.2. Adjusted Book Value Approach

The valuation of shares under this approach takes the total assets of CNS, deducted by total liabilities which include future commitments and contingent liabilities as represented in the financial statement as of 30 June 2019 which was the revised financial statement for Quarter 2 of 2019, having adjusted details occurring after the last date of the financial statement or details affecting the book value which more accurately reflect the shares' true worth such as any increase or reduction of assets valuation not yet recorded in the financial statement, positive reversal of doubtful debt or repayment of bad debt, value of business license, goodwill, patent, brand value or losses carried forward, etc. The calculated result thereof is then divided by the total number of paid up shares of CNS. The calculation details are as follows:

5.2.2.1. Market value of assets

The majority of CNS's assets are current assets with high liquidity. As at 30 June 2019, the main assets of the Company are as follows:

- Cash and cash equivalents of THB 435.51 million (5.04% of total assets)
- Receivables from Clearing House and broker-dealers of THB 449.42 million (5.20% of total assets)
- Securities and derivatives business receivables of THB 6,859.29 million (79.44% of total assets), in which CNS has classified its securities business receivables including related interest receivable, in accordance with the relevant guidelines issued by the Office of the Securities and Exchange Commission governing accounting for the doubtful debts of securities companies. The classification is as follows:

Table 5-2: Classification of doubtful debts of CNS

(Unit: THB million)	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	6,858.74	-	6,858.74
Substandard	106.78	(106.22)	0.56
Doubtful	6.93	(6.93)	-
Total	6,972.44	(113.15)	6,859.29

Source: Notes to financial statements for the six-month period ended 30 June 2019

- Investments of THB 438.31 million (5.08% of total assets)

Table 5-3: Investments of CNS

(Unit: THB million)	Trading securities	Held-to-maturity debt securities	Other investments
Fair value	335.65	97.45	5.23
Cost/amortised cost	335.65	97.45	5.23
Adjustment of investments	-	-	-

Source: Notes to financial statements for the six-month period ended 30 June 2019

- Premises and equipment of THB 85.53 million (0.99% of total assets). Based on the interview with the management, CNS has not conducted any valuation of property by independent property appraiser during the past 6 months. Therefore, the Company cannot be valued by this method. In addition, the value of the said fixed assets is insignificant as such does not have a material impact.
- Other assets such as loans to employees, contribution for Securities Clearing Fund, prepaid expenses, deposits, property foreclosed, accrued interest receivables, deposit for derivative business, fees and service income receivables and others amounted to THB 261.79 million (3.03% of total assets)

The IFA views that most of the value of CNS's assets are closely comparable to their market values since CNS has already adjusted securities and derivatives business receivables by taking allowance for doubtful accounts into account as well as recording the investments value equal to the fair value. Thus, the IFA has not made any additional adjustments to book value for these assets

However, the IFA has considered the adjustment of the loans to employees in order to reflect the fair value which can be summarised as follows:

Table 5-4: Loans to employees of CNS

(Unit: THB million)	
Book value	57.31
Fair value	44.56
Adjustment of loans to employees	12.75

Source: Notes to financial statements for the six-month period ended 30 June 2019

5.2.2.2. Provisions for long-term employee benefits

As of 30 June 2019, the Company has already recorded THB 132.85 million of long-term employee benefit liabilities, equivalent to 3.84% of total liabilities, which can be summarised as follows:

Table 5-5: Provisions for long-term employee benefits

(Unit: THB million)	For the six-month period ended 30 June 2019
Provisions for long-term employee benefits at beginning of period	97.41
Included in profit or loss:	
Current service cost	3.23
Past service cost	33.09
Interest cost	1.17
Included in other comprehensive income	-
Benefits paid during the year	(2.05)
Provisions for long-term employee benefits at end of period	132.85

Source: Notes to financial statements for the six-month period ended 30 June 2019

As a result, the IFA has not included the already recorded contingent liabilities to adjust the book value.

5.2.2.3. Contingent liabilities under pending legal cases

- On 23 January 2018, the Company received an order from a government agency requesting the Company to hold all collateral belonging to a specifically identified credit balance client. On 3 May 2018, the Company received an order from the same government agency which released part of this share collateral. As of 30 June 2019, the credit balance receivable was THB 106 million with the total collateral value of approximately THB 243 million, which has still been frozen under the order. The Company has already filed a civil lawsuit to claim for the total receivable amount from the client, while the client answered and counter-claimed that the Company was not entitled to file the case and asked for compensation.
- Nonetheless, the management, by the Company's external counsel's legal opinion, considered that the counterclaim is defensible and the possibility of incurring additional loss remote. On 27 May 2019, the court ordered not to accept the partial counter-claimed of the client. The client is in the process of appealing the said order. Also, the Company has petitioned the court to release such collateral in accordance with the relevant laws. For prudence, the Company classified such account balance as substandard and set up the allowance for doubtful account for this case at THB 106 million. The Company believes that the provision is sufficient and appropriate.

Therefore, the IFA did not take the contingent liabilities that may arise from the above legal cases to adjust the book value since the Company has already set aside the allowance for doubtful accounts within the financial statements.

The details of the valuation of ordinary shares of the Company by adjusted book value approach are shown in the table below:

Table 5-6: Adjusted book value approach of CNS

As of 30 June 2019	(Unit: THB million)
Total shareholder's equity (before adjustment)	5,176.69
Add: Loans to employees	12.75
Total shareholder's equity (after adjustment)	5,189.44
Number of issued and paid-up shares of CNS (Shares) ¹	2,150,469,000
Adjusted book value per share (THB)	2.41

Remark: ¹ Par value of THB 1.00 with the total number of shares as at 30 June 2019

Nevertheless, the adjusted book value approach can better reflect the Company's net value of assets that is closer to the true and current value compared to the book value approach by reflecting the market value of the assets which will affect the current net asset value. However, this approach does not reflect the price or demand and supply in the market. Neither does it reflect economic trends of related industry, profitability, future operational performance and competitiveness including other external factors that may affect future business operation. The IFA, therefore, finds that valuation under this approach is not appropriate in determining the fair value of CNS ordinary shares and does not accurately reflect the true value of its business operation.

5.2.3. Volume Weighted Average Price Value Approach

The valuation of shares under this approach is based on the weighted average historical market price of the ordinary shares of CNS traded at different periods in the Stock Exchange of Thailand, between 7 to 360 working days from 2 October 2019 (which is one working day before the date of the Board of Directors' meeting

notified the resolution regarding the delisting of the Company's securities from being the listed securities in the SET).

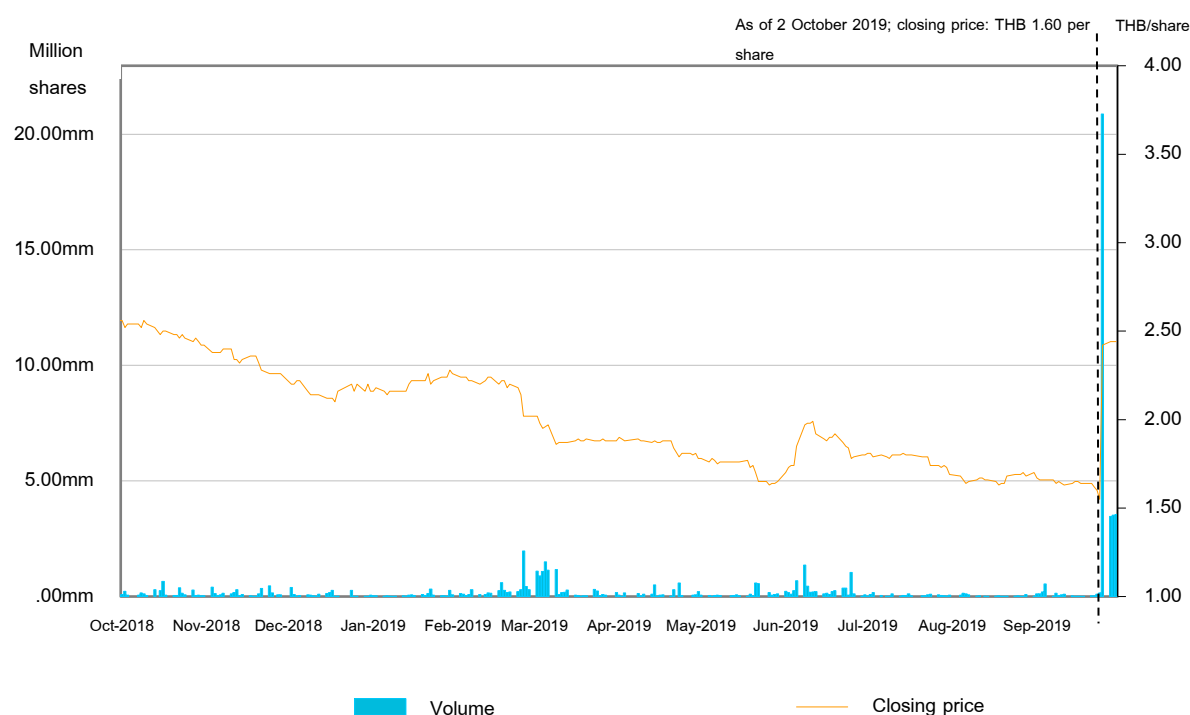
Table 5-7: Volume weighted average market value approach of CNS

	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
Weighted average market price (THB per share)	1.62	1.65	1.65	1.70	1.79	1.80	1.92	2.05	2.18
Average daily trading volume (shares)	31,600	91,373	62,293	59,612	132,373	125,827	171,457	155,724	151,803

Source: SETSMART

According to the volume weighted average market value approach, the share valuation of CNS is **THB 1.62 – 2.18 per share**, which is THB 0.33 – 0.89 or 13.02 – 35.50 per share lower than the tender price offer. In the most recent retrospective period of 360 days, the highest closing price of CNS share was THB 2.72 per share and the lowest post was THB 1.60 per share. However, the IFA has not chosen this method due to low trading volume of CNS's shares compared to the SET. Thus, this approach may not fully reflect the true value of the Company.

Diagram 5-1: Trading information between 10 October 2018 - 9 October 2019



Remark: Received the letter of intention of voluntary tender offer on 2 October 2019

The market price after CNS received the letter of intention to delist the securities of the Company from the SET has increased compared to the period before CNS received the letter of intention. The share price between 4 October 2019 to 21 October 2019 has a closing price of THB 2.42 – 2.46 per share, which on average, were lower than the tender offer price of THB 2.51 per share. Therefore, the current market price is lower than the offer price.

Analysis of the trading of CNS ordinary shares in the SET during 7 - 360 working days retrospective period found that CNS had a turnover ratio, used to measure trading volume compared to the number of listed shares, which was low compared to the rest of the market.

Table 5-8: Turnover ratio of CNS Ordinary Share Trading

	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
SET	5.54%	13.24%	28.00%	59.22%	85.20%	104.16%	145.49%	195.30%	237.01%
CNS	0.00%	0.05%	0.07%	0.12%	0.51%	0.61%	1.26%	1.73%	2.23%

Source: SETSMART

5.2.4. Price to Book Value Ratio Approach or P/BV Ratio

The price to book value ratio approach uses the book value of CNS according to the Company's consolidated financial statement as at 30 June 2019, audited by a certified accountant approved by the SEC, which stood at THB 2.41 per share, multiplied by the Peer Group price to book market ratio (Peer Group P/BV), to reference the average P/BV of registered corporate entities with similar business operations to CNS, calculated from previous daily closing price during 7 to 360 days dating back from 2 October 2019 (which is one working day before the date of the Board of Directors' meeting notified the resolution regarding the delisting of the Company's securities from being the listed securities in the SET) so as to mitigate any distortion from trading prices which may be affected by abnormal developments or seasonal movements that might result in the share price not reflecting its appropriate value if the price at a given point in time is used.

For this purpose, the IFA selected 6 companies whose core business operations are similar, using comparison of the average closing price to book value of listed companies, calculated from the average value of such companies according to the abovementioned timeline, divided by the book value of those companies as represented in their latest financial statement as at 30 June 2019.

The list of companies in the securities and investment banking business sector which operate similar business as CNS, are summarised as follows:

Table 5-9: Comparable companies that conduct similar businesses

Company name	Business description
CNS	CNS engages in securities businesses, chiefly securities brokerage, acting as an agent in the futures exchange market, financial advisory, underwriting, securities borrowing and lending and selling agent.
MBKET	MBKET provides services in the securities brokerage business, securities trading, underwriting, investment advisor, financial consultant, securities borrowing and lending and selling agent. MBKET also provides investment banking services, financial advisory services for listing companies on the stock exchange and securities underwriting.
CGH	CGH is a holding company that invests in financial business. CGH invests in Country Group Securities public company limited, which operates securities business, as a core company.
ASP	ASP is a holding company which invests in high growth potential businesses. Our current core businesses are securities brokerage, investment, investment banking, asset management and private equity.
KGI	KGI operates the following businesses; (a) Securities brokerage (b) Securities dealing (c) Investment advisory (d) Securities underwriting (e) Securities borrowing and lending (f) Securities registrar (g) Derivatives brokerage (h) Financial advisory (i) Over-the-Counter (OTC) derivative business and (j) Sales agent in investment units of mutual funds.
TNITY	TNITY operates as a holding company that is composed of three main businesses including 1) Securities business such as securities brokerage, securities trading, investment adviser 2) Financial advisory services and investment banking business 3) Securitization business.
FSS	FSS undertakes businesses as follows: (1) Securities Brokerage Business, (2) Derivatives Brokerage Business, (3) Investment Banking Business, (4) Investment-Related Business, (5) Derivative Warrants Business, (6) Selling Agent Business, (7) Securities Borrowing and Lending Business, (8) Global Trading Business, (9) Bond Trading Business.

Source: CapitalIQ

Remarks:

- 1) The IFA does not include UOB Kay Hian Securities (Thailand) Public Company Limited UOB Kay Hian Securities (Thailand) Public Limited ("UOBKH") as one of the comparable companies because the amount of volume turnover of UOBKH's shares is too small.
- 2) The IFA does not include Globlex Holding Management Public Company Limited ("GBX") as one of the comparable companies because most of GBX's income does not come from services with similar characteristics as CNS
- 3) The IFA does not include AEC Securities Public Company Limited ("AEC") as one of the comparable companies because the market capitalization is too different from CNS and has a loss of performance continuously since 2015.

Table 5-10: Price-to-book value approach (P/BV) and its comparable companies

Comparable companies	P/BV ratio by historical number of days								
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
CNS	0.68	0.68	0.69	0.70	0.71	0.72	0.77	0.84	0.88
MBKET	1.08	1.08	1.09	1.12	1.10	1.13	1.19	1.29	1.42
CGH	0.65	0.64	0.64	0.65	0.66	0.66	0.67	0.69	0.72
ASP	0.93	0.93	1.01	1.11	1.14	1.18	1.28	1.39	1.45
KGI	1.54	1.55	1.57	1.52	1.49	1.48	1.52	1.54	1.51
TNITY	0.54	0.54	0.54	0.55	0.57	0.58	0.62	0.67	0.68
FSS	0.41	0.41	0.41	0.44	0.44	0.43	0.43	0.45	0.48
Average P/BV of comparable companies	0.83	0.83	0.85	0.87	0.87	0.88	0.93	0.98	1.02
CNS Book value per share (THB per share) ¹	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41
Share price (THB per share)	2.00	2.01	2.04	2.10	2.10	2.13	2.23	2.36	2.45

Source: SETSMART

Remark: ¹ Calculated from shareholders' equity as of 30 June 2019

From the consolidated financial statement of CNS as at 30 June 2019 which had been reviewed by the Company's auditor, the book value of CNS shares is THB 2.41 per share, multiplied by P/BV ratio referenced in the above table, in the range of 0.83 – 1.02 times, resulted in the CNS share valuation of between **THB 2.00 – 2.45 per share**, which is lower than the tender offer price of THB 0.06 – 0.51 per share or 2.22 – 20.20 percent.

Although the Price to Book Value Ratio Approach is an evaluation of the Company's ordinary shares at a given point in time which does not consider profitability and future operating results, this approach is calculated based on the average market price to the book value of the comparable companies. This approach is suitable for shares with assets for sale or shares in financial business groups that have high liquid assets that are subject to similar supervision and regulations, such as banks or securities businesses. This approach can reflect the market view and provide a more stable value than the Price to Earnings Ratio Approach therefore it can be used as a basis for determining the appropriate share value.

5.2.5. Price-to-Earnings Ratio Approach

The price-to-earnings ratio approach uses the earnings per share (EPS) of CNS in the previous 4 quarters from the period ending 30 June 2019, multiplied by peer group P/E referenced by the average value of the

ratio of closing price to average net earnings of listed companies with similar business as CNS, calculated from retrospective daily closing prices between 7 to 360 working days dating back from 2 October 2019 (which is one working day before the date of the Board of Directors' meeting notified the resolution regarding the delisting of the Company's securities from being the listed securities in the SET) as previously mentioned and summarized as follows:

Table 5-11: Price-to-Earnings approach (P/E) of CNS and its comparable companies

Comparable companies	P/E ratio by historical number of days								
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
CNS	32.45	32.59	32.87	34.22	35.31	33.96	30.51	26.93	23.50
MBKET	28.49	28.64	28.76	26.73	23.83	22.09	19.63	17.57	17.17
CGH ¹	~~405.85~~	~~404.26~~	~~403.73~~	~~43.18~~	~~(3.56)~~	~~(30.50)~~	~~(20.77)~~	~~2.50~~	~~8.35~~
ASP	15.09	15.10	16.33	17.44	17.36	17.11	16.22	14.75	13.69
KGI	8.05	8.11	8.20	8.18	8.11	8.12	8.26	8.28	8.46
TNITY	16.88	17.04	17.13	18.75	19.86	19.52	17.87	16.05	24.46
FSS ¹	~~(6.84)~~	~~(6.84)~~	~~(6.86)~~	~~(8.52)~~	~~(8.89)~~	~~(15.84)~~	~~(17.73)~~	~~(7.11)~~	~~(3.13)~~
Average P/E of comparable companies	20.19	20.30	20.66	21.06	20.89	20.16	18.50	16.72	17.46
CNS Earnings per share (THB/Share) ²	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Share price (THB per share)	1.01	1.01	1.03	1.05	1.04	1.01	0.92	0.84	0.87

Remarks: ¹ P/E ratio of FSS was excluded from the calculation as its operational performance posted a loss.

² Calculated from 12-month trailing net profits

From this approach, the price to earnings ratio of comparable companies were between 16.72 – 21.16 times and the valuation is between **THB 0.84 – 1.05 per share**, which is lower than the tender offer price by THB 1.46 – 1.67 per share or 58.04 – 66.70 percent. However, Price-to-Earnings approach (P/E) only takes into consideration the financial position at a given point in time in comparison with the average ratio of comparable companies. The approach had not been reflected to profitability and future operational performance of CNS. Moreover, some of the referenced peer group companies are not engaged in the same core business as CNS. As such, share valuation using this approach may not reflect the appropriate value of CNS shares.

5.2.6. Dividend Discount Model: DDM

Share valuation under the Dividend Discount Model (DDM) is based on the future cash flow from expected dividends paid to shareholders from the Company after applying the Cost of Equity (Ke) as an appropriate discount rate to derive the net present value. The dividend payout streams are calculated using the payout policy of no less than 60% of net profit after deduction of other reserves. The IFA used the Company's actual dividend paid amount for the past 4 years (from 2015 to 2018) with the average payout ratio of 94.11% to forecast the future dividend payment to shareholders of the Company. The projection is based on the Company continuing as a going concern. The underlying assumptions are that there are no major changes in the business and the Company is operating under the current economic situation.

The IFA calculates the cash flows from future dividend payment according to the Company's 5-year financial forecast (2020-2024). The underlying assumptions are that there are no major changes in the business and the Company is operating under the current economic situation and the same management team without the consideration of any certain plans and changes to be decided by the Tender Offeror.

For the financial forecast and underlying assumptions, the IFA estimates the cash flows according to CNS's future operation by using the historical data and ratio and/or CNS's budget or business plan including related industry overview.

The underlying assumptions applied for this financial forecast are under the current economic and industry situation and the information received at the time of preparing this report. In the case that the current circumstance changes and they affect the business operation of CNS, the share price calculated from this approach will change accordingly.

The key financial assumptions underlying the financial projection are shown as follows;

1. Revenue Assumptions

1.1. Revenue from securities brokerage business

Projected revenue from securities brokerage business are from daily average trading value in SET and mai, market share of CNS in securities brokerage, and average brokerage fee for securities brokerage.

Table 5-11: Projected revenue of CNS from securities brokerage business

(Unit: million THB)	2017A	2018A	1H19A	2019E	2020F	2021F	2022F	2023F	2024F
No. of trading days (days per year)	244	245	183	243	243	243	243	243	243
SET and mai average trading value per day (THB million)	50,114	57,674	49,720	49,720	49,720	51,378	51,378	51,378	51,378
Market share of CNS for securities brokerage business (% of marketing trading value)	2.76%	2.24%	1.86%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%
Average trading value per annum of CNS	604,595	556,111	211,285	503,063	503,063	519,833	519,833	519,833	519,833
Average brokerage fee (% of CNS's trading value)	0.12%	0.12%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
Revenue from securities brokerage business	766.67	657.95	230.30	536.28	536.28	554.16	554.16	554.16	554.16

- Projected SET and mai average trading value per day

The IFA projects the average trading value per day for SET and mai for 2019 – 2024 (excluding proprietary trading). In 2019 and 2020, the average trading value per day is referred from the first half of 2019. In 2021, the average trading value per day is applied by the growth rate of 3.33% according to CAGR of the previous average trading value per day since 2014, then it is projected to be constant for the rest of the forecasting period. The IFA considers that the growth rate for the trading value within the 5-years projected period is appropriate and able to reflect the industry prospect within the current business condition.

- Projected market share of CNS for securities brokerage business

For the past 5 years between 2014 to 2019, the market share of CNS has continuously reduced, therefore, the IFA uses the weighted average market share from 2016 to Q3'2019 by allocating the highest weighting for the market share in 2019 and the lowest weighting for the market share in 2016. The calculated result equals to 2.32% in which it is assumed to be constant for the rest of the projected period.

- Projected brokerage fee for securities brokerage

The IFA projects brokerage fees for securities brokerage by referring to the fee from first six months period of 2019 as the base for the projection and assuming that such brokerage fees will be constant for the rest of the projected period.

Table 5-12: Projected revenue of CNS from derivative brokerage business

(Unit: million THB)	2017A	2018A	1H19A	2019E	2020F	2021F	2022F	2023F	2024F
No. of trading days (days per year)	244	245	183	243	242	242	242	242	242
Volume of future contracts traded in TFEX per day (contracts)	324,217	426,213	378,178	421,135	421,135	421,135	421,135	421,135	421,135
Market share of CNS for TFEX business (% of total contracts)	2.63%	3.69%	2.59%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
Volume of future contract traded in TFEX per annum by CNS (contracts)	2,079,826	3,852,916	1,177,198	2,849,866	2,849,866	2,849,866	2,849,866	2,849,866	2,849,866
Average TFEX brokerage fee per contract	22.17	18.91	24.07	24.07	24.07	24.07	24.07	24.07	24.07
Revenue from derivative brokerage business	46.10	72.87	28.33	68.59	68.59	68.59	68.59	68.59	68.59

- Projected average number of derivative contracts traded in TFEX per day

The IFA projects average number of derivative contracts traded in TFEX per day for 2019 – 2024 according to the actual average number of derivative contracts for the first nine months of 2019, which is equivalent to 421,135 contracts per day and assumes such trading volume to be constant for the rest of the projected period.

- Projected market share of CNS in derivative brokerage business

The IFA projects market share of CNS in derivative brokerage business according to the actual market share of CNS in derivative brokerage business for the first nine months of 2019, which is equivalent to 2.78% and such percentage is closed to average market share for the past 5 years from 2014 to 2019. Such market share is assumed to be constant for the rest of the projected period.

- Projected brokerage fees for derivative brokerage

The IFA projects brokerage fees for derivative brokerage by referring to the actual brokerage fees for the first six months of 2019 as the base for the projection and assuming for such brokerage fee for derivative brokerage to be constant for the rest of the projected period.

1.2. Fee and service income

Fee and service income comprises of investment banking fees such as securities underwriting, financial advisory fees, selling agent fees, securities borrowing and lending fees, and other fees. For the projection of fee and service income, the IFA estimates investment banking fees, selling agent fees, and securities borrowing and lending fees based on business plan of the management for 2019 – 2021 and assumes to be constant for

the years forward. For other fee and service income, it is assumed to be the average income from 2016 to 2019 and then constant for the rest of the projected period.

Table 5-13: Projected fee and service income

(Unit: million THB)	2017A	2018A	1H19A	2019E	2020F	2021F	2022F	2023F	2024F
Selling agent income	301.09	214.60	73.17	251.08	306.32	389.03	389.03	389.03	389.03
Fees from investment banking business	28.92	57.38	28.99	39.96	45.67	50.03	50.03	50.03	50.03
Fees from business related to stock exchange (SBL)	24.07	31.58	33.64	28.11	32.04	37.17	37.17	37.17	37.17
Other fees and service income	74.52	82.40	45.40	81.10	81.10	81.10	81.10	81.10	81.10
Total	428.60	385.96	181.20	400.26	465.14	557.34	557.34	557.34	557.34

1.3. Interest income on margin loans

The IFA projects interest income on margin loans by referring to proportion of interest income on margin loans with brokerage income and using the average amount for the past 3 years (2016-2018) and the first half of 2019 as the base income in order to calculate the rest of projected period.

1.4. Gain and return on financial instruments

The gain and return on financial instruments are mainly from fixed income trading business and the transactions from Block Trade – Single Stock Future. The IFA projects the gain and return on financial instruments by annualizing the half year of gain and return on financial instruments in 2019 to full year period and assumes such amount to be constant for the rest of the projected period.

1.5. Other income

The IFA projects other income by annualizing the half year of other income in 2019 to full year period and assumes such amount to be constants for the rest of the projected period.

2. Cost and Expenses Assumptions

2.1. Employees benefit expenses

Employee benefit expenses comprise of salary, bonus, commission fee, and other benefits. The IFA projects salary and bonus according to the historical data and applies the growth rate of 5% per year for the rest of the projected period. For the commission fee, the IFA projects it by referring to the average brokerage income from 2016 to 2018. For other employee benefits, these are assumed to grow by the average 10-years inflation rate which is equivalent to 1.58% (referring to average growth for inflation rate from Bank of Thailand).

2.2. Fee and service expenses

Fee and service expenses are mainly comprised of the fees related to the services from securities business such as SET, TFEX, SEC, clearing house, securities depository center, transaction fee from selling agent business, and fees from other units. These expenses vary according to CNS's securities trading value and fee and service income. The IFA calculates fee and service expenses from the average proportion of fee and service expenses to securities and derivative brokerage income, fee and service income and gain and return on financial instruments for the past 3 years (2016 – 2018) and the first half of 2019, which is equivalent to 16.04% per annum. Such percentage is assumed to be the base for the rest of projected period.

2.3. Finance cost

The Company incurs the interest expenses payable to customers for their deposits placed as the guarantee for securities and derivative trading, and interest on loans from financial institutions. The IFA projects the finance cost to be 1.77% per annum by referring to the finance cost for the past 3 years (2016 – 2018) and the first half of 2019.

2.4. Other operating expenses

Other operating expenses mainly comprised of communication expense, telephone bill, information technology fee, maintenance fee, rental expense, and rental related expense, software copyright fee, information expenses, depreciation and amortization expense, and other expenses. The IFA calculates depreciation and amortization expenses according to property, plant, and equipment, intangible asset, and the Company's investment plan. For other expenses, it is assumed to vary in line with total revenue and is assumed to be equivalent to 15.11% of total revenue based on the past 3 years (2016-2018) and the first half of 2019.

2.5. Corporate tax expense

The IFA projects corporate tax expense by applying 20% tax rate.

3. Projected Capital Expenditure

The IFA projects the capital expenditure according to the average capital expenditure of equipment and software for 2014 to 2018 and assumes such amount to be constant for the rest of projected period.

4. Dividend Payment

Previously, the Company has paid a dividend during 2015 to 2018 at 94.11% per annum. Additionally, the Company has its dividend policy of no less than 60% of net profit after deduction of other reserves since it didn't have any major investment plan. The IFA projects dividend payout ratio to be between 60.00% to 94.11% for the rest of the projected period as to be conservative.

The table shows the actual dividend payment schedule for 2015 to 2018 and the projected payment in 2019 to 2024.

Year	Net Profit (million THB)	Dividend Payment (million THB)	Payout Ratio (%)
2015A	416.0	387.1	93.06%
2016A	412.2	387.1	93.91%
2017A	475.4	451.6	94.99%
2018A	177.5	167.7	94.49%
2019E	224.0	134.4 - 210.8	60.00% - 94.11%
2020F	208.1	124.8 - 195.8	60.00% - 94.11%
2021F	257.1	154.3 - 241.9	60.00% - 94.11%
2022F	231.3	138.8 - 217.7	60.00% - 94.11%
2023F	205.1	123.1 - 193.1	60.00% - 94.11%
2024F	179.6	107.8 - 169.0	60.00% - 94.11%

5. Share Valuation

5.1. Terminal Growth

For the financial projection, it is assumed that the terminal growth after projected period is equivalent to 0% per annum in order to provide a conservative forecast.

5.2. Discount Rate

The discount rate to be used in finding the net present value of the dividend income for the Company's shareholders is the cost of equity (Ke). It can be derived from Capital Asset Pricing Model (CAPM) shown as follows;

$$K_e \text{ (or } R_e) = R_f + \beta (R_m - R_f)$$

Risk Free Rate (Rf) = The risk-free rate is based on the 30-year Government Bond Yield which is equivalent to 1.85% per annum (as of October 2, 2019). The IFA refers to the return on 30-year Government Bond to reflect the risk-free investment for long-term holding period.

Beta (β) = Beta co-efficient between the return of comparable companies and the change in SET index. The IFA estimates the beta based on the average historical closing price over 2 consecutive years until October 2, 2019. The IFA finds the chosen data to be appropriate due to its suitability for statistical calculation and its ability to reflect the current situation. The beta equals to 0.38.

Market Risk (Rm) = The market return in which the IFA estimates to be 12.04% per annum based on the average return from the investment in SET Index over 30 years during October 1989 to September 2019. It is believed to better reflect the long-term risk of the SET.

Based on the above assumptions, Ke is calculated to equal to 7.90% per annum.

Terminal Value of Dividend

For the terminal value of dividend income after 2024, the factors to be considered are the dividend payment at the end of 2024, dividend growth rate per annum, and discount rate. It can be calculated as follows;

Terminal	=	$((D_{2024} \times (1 + G)) / (K_e - G))$
D_{2024}	=	Dividend payment as at 2024
G	=	Dividend growth rate per annum based on Going Concern Basis equals to 0.00% per annum
K_e	=	Cost of equity equals to 7.90% per annum

Based on the above information and assumptions, the calculation of present value of dividend stream and CNS's share value according to Dividend Discount Model is as follows;

Table 5-14: Summary of Net Present Value of Cash Flows from Dividend Payment

(Unit: million THB)	2019E	2020F	2021F	2022F	2023F	2024F
Net Profit	224.0	208.1	257.1	231.3	205.1	179.6
Dividend Payment	210.8	195.8	241.9	217.7	193.1	169.0
Terminal Value of Dividend						2,138.4
Present Value of Dividend Payment	203.0	174.7	200.0	166.8	137.1	1,518.5
Sum of Present Value of Dividend Payment	2,400.2					
Number of Shares Outstanding	2,150,469,000					
Share Value (THB/Share)	1.12					

The IFA also has conducted sensitivity analysis by altering CNS's market share, daily trading value, dividend terminal growth rate and cost of equity (Ke), as well as the assumed dividend payout ratio of no less than 60% of its net profit.

Dividend payout ratio of 60% scenario

Market Share					
Daily trading value	0.050%	0.025%	-	(0.025%)	(0.050%)
(4.00%)	0.63	0.62	0.60	0.58	0.57
(2.00%)	0.69	0.67	0.66	0.64	0.62
-	0.75	0.73	0.71	0.69	0.68
2.00%	0.80	0.79	0.77	0.75	0.73
4.00%	0.86	0.85	0.83	0.81	0.79

Terminal Growth					
Cost of equity	2.00%	1.00%	-	(1.00%)	(2.00%)
(1.00%)	1.02	0.90	0.80	0.74	0.68
(0.50%)	0.94	0.83	0.75	0.70	0.65
-	0.86	0.78	0.71	0.66	0.62
0.50%	0.80	0.73	0.67	0.63	0.59
1.00%	0.75	0.69	0.64	0.60	0.57

Dividend payout ratio of 94.11% scenario

Market Share					
Daily trading value	0.050%	0.025%	-	(0.025%)	(0.050%)
(4.00%)	0.99	0.97	0.94	0.92	0.89
(2.00%)	1.08	1.05	1.03	1.00	0.98
-	1.17	1.14	1.12	1.09	1.06
2.00%	1.26	1.23	1.21	1.18	1.15
4.00%	1.35	1.33	1.30	1.27	1.24

Terminal Growth					
Cost of equity	2.00%	1.00%	-	(1.00%)	(2.00%)
(1.00%)	1.61	1.40	1.26	1.16	1.07
(0.50%)	1.47	1.30	1.18	1.09	1.02
-	1.36	1.22	1.12	1.04	0.97
0.50%	1.26	1.14	1.06	0.99	0.93
1.00%	1.18	1.08	1.00	0.94	0.89

According to the sensitivity analysis presented in the above Table, the fair value of CNS share price by Dividend Discount Model ranges between THB 0.57 – 1.61 per share, which is lower than the offering price for THB 0.90 – 1.94 THB or by 36.02% – 77.35%.

This valuation approach is based on the current business and economic conditions. Any future changes related to CNS's business plan and other policies away from the projected assumptions might significantly impact the share price of CNS.

5.3. Appropriateness of the Tender Offer Price for CNS Ordinary Shares

Comparison of the value of CNS shares from all the valuation methodologies are summarized as follows:

Table 5-16: Summary comparison of CNS share valuation according to valuation methodologies

Valuation method		CNS price (THB per share)	Offer price	Higher (lower) than the offer price (THB)	% to the Tender Offer
1	Book value approach	2.41	2.51	(0.10)	(3.98)
2	Adjusted book value approach	2.41	2.51	(0.10)	(3.98)
3	Volume weighted average market approach	1.61 – 2.18	2.51	(0.33 – 0.90)	(13.02 – 35.79)
4	Price to book value ratio approach	2.00 - 2.45	2.51	(0.06 – 0.51)	(2.22 – 20.20)
5	Price to earnings ratio approach	0.84 - 1.05	2.51	(1.46 – 1.67)	(58.04 – 66.70)
6	Dividend Discount Model approach	0.71 – 1.12	2.51	(1.39 – 1.80)	(55.53 - 71.65)
	Sensitivity analysis	0.57 - 1.61	2.51	(0.90 – 1.94)	(36.02 - 77.35)

There are pros and cons to the different valuation methodologies which reflect the suitability of the share prices from different valuation approaches as follows:

- 1) The Book Value Approach takes into consideration the financial situation at a given time and registered asset values without reflecting the current market value of the asset, the price or demand and supply in the market. Neither does it reflect the business operation's ability to make future profit, its competitiveness, economic trend and industry overview. The IFA, therefore, regards this approach as inappropriate in determining a fair valuation of CNS ordinary shares and cannot reflect the true value of the business.
- 2) The Adjusted Book Value Approach can better reflect the Company's net value of assets compared to the book value approach as the book value is used to adjust assets and liabilities to reflect the fair value and the appropriate value of the assets and liabilities at the time of assessment. However, the Adjusted Book Value Approach does not reflect the price or demand and supply in the market and the ability to make a profit. Neither does it reflect future performance and its competitiveness. Therefore, the IFA deems that the valuation of shares by this method is not appropriate since it cannot reflect the true value of the business.
- 3) With the Volume Weighted Average Price Approach, market price is determined by demand and supply of investors toward CNS shares which can reflect the share value at a given time derived from expectation on the part of investors to get returns on their investment in the future. Investors, therefore, have to consider the various factors, including fundamentals, business potential and future profitability of the Company. However, CNS's shares have a low trading volume compared to SET. Thus, the IFA

deems that the valuation of shares by this approach is not appropriate since it cannot reflect the true value of the Company.

- 4) The Price to Book Value Ratio Approach takes into consideration the financial position at a given point in time in comparison with the average ratio of comparable companies. This approach is suitable for shares with assets for sale or shares in financial business groups that have high liquid assets that are subject to similar supervision and regulations, such as banks or securities businesses. This approach can reflect the market view and provide more stable value than the Price to Earnings Ratio Approach.
- 5) The Price to Earnings Ratio Approach is an approach which takes into consideration the profitability of a business at a given point in time by comparing with the average ratio of comparable companies without reflecting the structure of the Company's assets and liabilities. This method may not reflect the value of the Company's shares due to the difference between the operating results, the types of customers of the Company and the comparable companies, especially in the case that variable earnings per share are highly volatile.
- 6) The Dividend Discount Model (DDM) projects the future dividend payment and discounts into present value based on the assumptions of past dividend payment, industry condition, and CNS's ability to generate future net profit. However, the past net profit margin was highly volatile due to the economic situation and one-time income/expenses. Thus, the net profit and dividend payment estimate can be subject to inaccurate projection assumptions. Thus, the share valuation by this approach is not appropriate

The IFA is of the opinion that the most appropriate valuation approach is Price to Book Value Ratio Approach which is a method that considers the book value of a company that mainly consists of cash and high liquid assets such as receivables from securities business and investments in debt and equity securities which can reflect the current value of the company. This method also reflects the value that investors expect from investing in the securities company compared to the book value as securities companies still have similar assets and liabilities structure so they can be compared. Therefore, using the price to book value ratio of the securities company group to assess the value of the ordinary shares of the business can be used as a basis for determining the appropriate share value. With the Price to Book Value Ratio Approach, value of the Company's valuation is appropriate between THB 2.00 - 2.45. Therefore, the IFA is of the opinion that the tender offer price of THB 2.51 per share is appropriate.

6. Conclusion of Opinion of Independent Financial Advisor

The IFA has considered and analysed different information under the scope, conditions and limitations as discussed in the previous sections of this report. The IFA is of the opinion that voluntary delisting of the Company from Stock Exchange of Thailand **is appropriate** as the tender offer price of THB 2.51 per share is within the valuation range of the price-to-book ratio approach which is between THB 2.00 – 2.45 per share. In addition, the market price of CNS shares after the Company received a letter of intention for delisting of the securities of the Company from the SET through the tender offer by NAIS on 2 October 2019 until the date that the IFA prepared this report, on average, was found to be lower than the tender offer price of THB 2.51 per share. Furthermore, the Company is at risk of being disqualified in maintaining its status as a listed company regarding the distribution of shares. The Company also has low liquidity, which may result in minority shareholders being unable to sell their securities at an appropriate price at a desired time. Currently Nomura Group is the major shareholder of the Company, representing 85.75 percent of total issued and paid-up shares of the Company which shows that NAIS can control and manage the business in all significant matter (absolute control). Moreover, subsequent to the delisting from being the listed securities, NAIS wishes to acquire additional shares of the Company. Therefore, the minority shareholders will not have a balance of power in the management of the Company. Hence, the approval of the tender offer for the delisting of the Company's securities from being a listed company can reduce the effects and risks effecting the minority shareholders.

However, if shareholders choose not to sell their shares in this tender offer and the Company has ceased being a listed company, the securities of the Company will lack liquidity because there will be no secondary market for trading and no market price for trading reference. The channels of receiving the Company's information may be significantly reduced since subsequent to the delisting from being the listed company in the SET, the Company will no longer have obligations to disclose information in accordance with the Notification of the SET in a topic of practices regarding the disclosure of information and other acts of listed company or the disclosure of any information applicable to listed company. If the shareholders wish to sell the Company's shares after the delisting of the securities from being listed securities, liquidity in shares sales will decrease because there is no secondary market for trading and shareholders will no longer receive tax benefits for the exemption of capital gains from the sale of securities (Capital Gain Tax) since there is no reference price and secondary market, with the form of return being limited to dividends only if the Company has announced the dividends payment.

Based on all reasons and information of this report, IFA has suggested that shareholders should **approve** the delisting of ordinary shares of the Company from the Stock Exchange.

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. **The final decision depends on the shareholders' individual judgment.**

Grant Thornton Services Ltd., as independent financial advisor, hereby certifies that we have provided the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

The Independent Financial Advisor's opinion is based on the assumption that all information in consideration was complete and accurate and reflects the operating environment and most up-to-date information at the time of issuance of this report. Any changes in the information used to formulate an opinion could have a significant impact on the valuation, the Independent Financial Advisor's opinion and the decision of the shareholders. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the IFA should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

Your faithfully,

- Signature -

Mr Adulpol Charukesnunt

Supervisor

Grant Thornton Services Ltd.

- Signature -

Ms Julaporn Namchaisiri

Managing Director

Grant Thornton Services Ltd.

7. Appendix

7.1. Business Related Information

7.1.1. General Company Information

Table 7-1: CNS General Company Information

Items	Details
Company Name	Capital Nomura Securities Public Company Limited
Address	25 Bangkok Insurance Building, 15 th - 17 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
Telephone	+66 (0) 2638 5000 +66 (0) 2081 2000
Facsimile	+66 (0) 2081 2001
Public Company Registration No.	0107537000653
Website	https://www.nomuradirect.com
Market	Stock Exchange of Thailand
Industry/Sector	Financials/Finance & Securities
Business	The company engages in securities business, mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business, selling agent business

7.1.2. General CNS Information (Source: CNS Annual Report and Financial Statement)

Capital Nomura Securities Public Company Limited (“Company”) operates in securities business which is the member No. 14 of the SET and the member of TFEX; mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business, selling agent business

Table 7-2: CNS Major Changes and Developments

Year	Major changes and Developments
1970	CNS was originally registered as a Limited Company under its name of “Bangkok Nomura International Securities Company Limited” (Company Registration No.317/2513)
1975	CNS was one of the founding members of the Stock Exchange of Thailand (SET)
1979	CNS changed its name to “Bangkok Nomura Finance and Securities Company Limited”
1985	CNS changed its name to “Capital Finance and Securities Company Limited”
1988	CNS was listed on the SET and returned the finance license to the Ministry of Finance and has engaged only in securities business
1991	CNS changed its name to “Capital Nomura Securities Company Limited”
1994	CNS was converted into a “Public Company Limited” under the name of “Capital Nomura Securities Public Company Limited” with a Public Company Registration No. 0107537000653
2010	CNS changed its Thai name to “Capital Nomura Securities Public Company Limited”
2014	CNS became a subsidiary of Nomura Group due to the result of the voluntary tender offer from Nomura Group to purchase CNS shares
2016	- Initiated the “CNS Startup & SME Access” with the aim to connect between the Small-and-Medium Enterprise (“SMEs”) and the Creative and Innovative Startup (“Startup”) entrepreneurs in professionally exploring business opportunities. - Established “CNS Convention Center” at the former head office to be a central space and an alliance center in investment and trading for entrepreneurs with the benefit to share them advantageous and knowledgeable information and an easy access to funding sources. It is also a Co-Working Space for members to create a

Year	Major changes and Developments
	successful path of their business idea. It is also a space for conducting seminars for clients, investors, and Financial Advisor (FAs). - Operated the block trade business – single stock futures through big-lot futures trading platform in order to serve clients' needs in trading single stock futures (with high value) but less fund needed. CNS must be a counter party to buy or sell single stock futures with clients. CNS has a risk management policy to fully hedge the holding position of single stock futures. - Closed 1 branch; Esplanade Branch - Closed the Representative Offices as Lao P.D.R. after its license expired
2017	- Created a website https://cnsup.nomuradirect.com to be an information exchange center for news update, an investment corner and activities for benefits of Startup and SMEs, as well as being a channel to promote and share experience of Startup and SMEs who participated in the "CNS Startup & SME Access" program in 2016 to become more widely known. - Developed Mobile Application "Nomura iFund" on iOS to serve clients' needs on mutual fund trading through smartphones and facilitate clients who were interested in the investment in mutual funds. - Closed 1 branch; Saraburi Branch
2018	- CNS has been certified to ISO/IEC 27001 Standard of BAHTNET system as required by the Bank of Thailand No. SorRorKhor. 4/2560 Re: "Requirements on Information Security Management System for BAHTNET Client Computers". This notification required BAHTNET client computers to be certified by ISO/IEC 27001 and also get assessment every year. - Established Private Wealth Department – PWD to expand the client base and services for high-net-worth individual investors. - Initiated an online service for clients to place orders to buy, redeem or switch via mobile application on both iOS and Android. The clients can access information on mutual funds by themselves with effectiveness and convenience. - Closed 1 branch; Ubon Ratchathani Branch
For the 6 months period ended 30 June, 2019	- Created and broadcasted investment knowledge via YouTube channel to build up knowledge and understandability about investment products for newbies and interested investors. - Created and broadcasted new program named "Technical Exclusive" via Facebook and YouTube channel to prepare newbie investors about how to use the technical chart. - Developed "Nomura iWealth" website to support the investors' individual goals achievement.

7.1.3. Shareholding Structure of the Group

CNS has no subsidiaries or affiliated companies.

7.1.3.1. Relationship with the Group of Major Shareholders

Diagram 7-1: Relationship with the Group of Major Shareholders

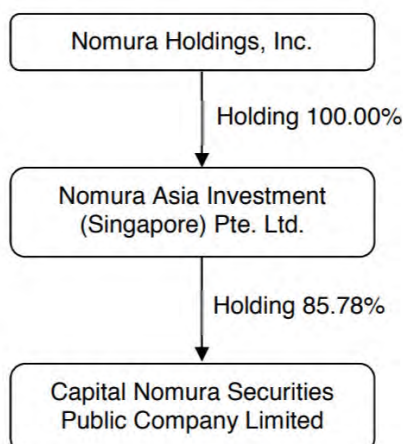


Table 7-3: Business Operation of the Group of Major Shareholders

Company Name	Type of Business	Country of Business
Nomura Holdings, Inc.	Holding company	Japan
Nomura Asia Investment (Singapore) Pte. Ltd.	Securities company	Singapore

As of March 19, 2018, Nomura Group has been a major shareholder, holding 85.78% of CNS's registered and paid-up capital, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd. Nomura is an Asia-headquartered financial services group with an integrated global network spanning over 30 countries.

Nomura serves the needs of individuals, institutions, corporates, and governments through its 4 business divisions; Retail, Asset Management, Wholesale – Global Markets and Investment Banking, and Merchant Banking.

CNS independently operates its business, without materially relying on client referrals or sourcing of funds from Nomura Group, but have cooperation in business operations. The connected transactions in brokerage, financial advisory, securities borrowing and lending as well as other services, transactions between CNS and Nomura Group were agreed as arm's length transactions. All connected transactions were approved by the Board of Directors in accordance with the rules of the SET and the Securities and Exchange Commission ("the SEC"). For borrowings from Nomura Group, the interest rate was also at arm's length transactions.

7.1.4. Business Profile

Income Structures

Table 7-4: Income Structures of CNS

Type of income ¹	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		For the 6-month period end 30 June 2019	
	million Baht	%	million Baht	%	million Baht	%	million Baht	%
Brokerage fees ²	931.13	55.35	812.78	43.88	730.83	46.12	258.63	41.38
Fees and service income	261.75	15.56	428.60	23.14	385.96	24.36	181.73	29.07
Interest on margin loans ²	355.61	21.14	363.88	19.64	367.03	23.16	141.19	22.59
Gain and return on financial instruments	121.75	7.24	240.27	12.97	88.12	5.56	38.72	6.19
Other income	12.00	0.71	6.83	0.37	12.68	0.80	4.79	0.77
Total Income	1,682.24	100.00	1,852.36	100.00	1,584.62	100.00	625.06	100.00

¹ Type of income was changed from the disclosure in 2916 due to the change in the format of the financial statements of securities companies from the implementation of the SEC's Notification No. Sor.Thor. 22/2559 dated June 2, 2016 relating to the format of the financial statements of securities companies. Such notification was effective for fiscal years beginning on or after January 1, 2017. The type of income presented in the new format had no impact on the total income.

² The figures of brokerage fees and interest on margin loans were changed due to the reclassification for the disclosure in 2018 and for the 6-month period end June 30, 2019. However, the reclassification had impact on the total income but no impact on the net profit.

Business Profiles

(1) Securities Brokerage Business

CNS provides securities brokerage services of the securities listed in the SET and the MAI to retail clients, domestic and foreign institutional clients. Additionally, CNS provides securities brokerage

services of the securities listed in the overseas stock exchanges and/or the securities that the SEC allows domestic investors to invest.

CNS has 3 types of securities trading accounts as follows:

(1.1) Securities Trading Account – Cash Account

Securities trading account – cash account has a Two-day settlement cycle (T+2). Clients can place orders through FAs or by themselves through online trading applications. Clients can trade up to an approved limit.

Clients are not requested to settle order by order. They can deposit cash with CNS prior to placing orders. Interest on client's cash balance will be calculated on daily basis and will be deposited to their cash balance every month.

(1.2) Margin Loan under Credit Balance Account

Credit balance system is to provide the funding for the equity investment in which the client's investment status is considered as a portfolio regardless of the cost of each securities. Clients can place orders through FAs or by themselves through online trading applications.

CNS encourages client to use credit balance accounts as it will increase client's purchasing power for investment that can enhance the liquidity of stock market. To place the first order, the clients are required to place either cash or securities with the amount not less than initial margin requirement of the purchased amount as determined in the Marginable Securities List.

(1.3) Overseas Investment Trading Account

CNS provides securities brokerage services of the listed securities in the overseas stock exchanges to expand investment opportunity for clients. The guideline and condition of the account opening is similar to the domestic investment. CNS requires the clients to deposit cash with CNS in full amount prior to place order as requested by the SEC. In addition, the clients have to follow the rules, conditions and regulation of the stock exchanges where they invest.

(2) Derivatives Brokerage Business

CNS provides all derivative products in TFEX which consist of SET50 Index Futures, SET50 Index Options, Gold Futures, Mini Gold Futures, Gold D Futures, Gold Online Futures, Single Stock Futures, Interest Rate Futures, Sector Index Futures, USD Futures and RSS3 Futures under the supervising of highly experienced and potential team as well as an effective supporting system.

CNS got approval from the SEC to operate Block Trade Business – Single Stock Futures which were big lot transactions. CNS would do proprietary trading to serve Block Trade Business – Single Stock Futures as well as buy equity securities or short selling the borrowed underlying securities to hedge such positions.

(3) Financial Advisory Business

CNS provides financial advisory services in underwriting business, listing in the SET and the Market for Alternative Investment (“the MAI”), tender offer and merger and acquisition (M&A) as well as the financial advisory services to shareholders in entering into various transactions of the listed companies such as fund raising through Debt Capital Markets, business restructuring and financial restructuring advisory services, mediator services to establish joint ventures, project feasibility study services, and business valuation services.

(4) Underwriting Business

CNS provides underwriting and firm underwriting services to corporates who would like to issue both equities and fixed income securities such as common shares, debentures, warrants, unit trusts and others for sale to investors.

(5) Fixed Income Trading Business

CNS provides over the counter (OTC) for Fixed Income trading services in both primary and secondary market to retail clients and domestic institutional clients.

The Board of Executive Directors are set up the investment policy, types of debt securities, debt holding period and internal controls for risk management of CNS’s investment in debt securities. Risk Management Department monitors and controls the investment portfolio in accordance with the investment policy approval.

(6) Securities Borrowing and Lending Business

Securities Borrowing and Lending Business (SBL) is an alternative investment tool for the investment in the SET. When the stock market is declining, investors can borrow shares from CNS for short selling, as well as buying the shares back when the price declines as expected. This will support price stability and liquidity in the SET.

CNS provides SBL service to all types of clients including retail clients and institutional clients. CNS acts as a principal to clients who are the “borrowers” or “lenders” in order to ensure them that all terms and conditions as stated in the SBL agreement will be followed accordingly.

(7) Selling Agent Business

CNS engages in selling agent services to all asset management companies (“the AMC”) in Thailand, providing both omnibus account service and selling agent service. CNS has developed the “Nomura iFund” on mobile application, a full-service through online trading applications, to facilitate clients in the mutual funds investment with the following functions; to buy, sell and switch mutual funds among all asset management companies in Thailand, Mutual Fund Weekly Research, Performance Comparison, Nomura Dollar Cost Average, Nomura Automatic Stock to Fund, Nomura iFund Basket, Consolidated Portfolio, and New Initial Public Offering Service to search for new IPO of the mutual funds on daily basis.

7.1.5. Shareholder Structure of the Company

7.1.5.1. Shareholding Structure before Tender Offer

As of 30 June 2019, CNS had registered capital of 2,150,469,000 Baht, paid-up capital of 2,150,469,000 Baht consisting of 2,150,469,000 common shares with par value of 1 Baht per share.

Top Shareholders listed on the Shareholder Register as of the latest book closing date of 19 March 2019 was as follows;

Table 7-5: CNS Shareholding Structure before Tender Offer

No.	Major Shareholders' Name	Shares Held (shares)	Holding Percentage (%)
1	Nomura Asia Investment (Singapore) Pte. Ltd.	1,844,659,931	85.78
2	Mr. Wachira Tayanaraporn	35,999,900	1.67
3	Mrs. Khuntong Udommahuntisuk	20,000,000	0.93
4	Mr. Mongkol Udompetcharaporn	17,688,000	0.82
5	Mr. Chattri Sophonpanich	14,193,000	0.66
6	Mr. Rabil Sophonpanich	13,563,000	0.63
7	Others	204,365,169	9.50
	Total	2,150,469,000	100.00

Source: Capital Nomura Securities Public Company Limited

7.1.5.2. Shareholding Structure after Tender Offer

Table 7-6: CNS Shareholding Structure after Tender Offer

No.	Major Shareholders' Name	Shares Held (shares)	Holding Percentage (%)
1	Nomura Asia Investment (Singapore) Pte. Ltd.	2,150,469,000	100.00
	Total	2,150,469,000	100.00

7.1.6. CNS Board of Directors

Board of Directors before Tender Offer are as follows:

Table 7-7: Board of Directors

Director Name	Position
Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors
Mr. Katsuya Imanishi	President
Mr. Shinya Ykoyama	Executive Director
Mrs. Chrisana Sae-Leiw	Executive Director
Mr. Yuji Hibino	Director
Mr. Phillip Wing Lun Chow	Director
Associate Professor Dr. Danuja Kunpanitchakit	Chairperson of the Audit Committee and Independent Director
Col. Ruangsub Kovindha	Audit Committee and Independent Director
Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director
Dr. Prasit Kanchanasakdichai	Independent Director

Source: Financial Information (Form 56-1) for the six-months period ended 30 June 2019

After the completion of the tender offer, the Offeror may change the directors as appropriate. However, the said matter must be approved by the business committee and in accordance with the regulations of Limited Public Company Act B.E. 2535 (including any amendments).

7.1.7. The Highest and Lowest Share Price for Each Quarter within 3 Years Period

Table 7-8: The Highest and Lowest Share Price for Each Quarter within 3 Years Period

Year	Quarter	Highest and Lowest Price (Price per share)	
		Highest Price	Lowest Price
2016	Quarter 1	2.62	2.34
	Quarter 2	2.38	2.32
	Quarter 3	2.42	2.30
	Quarter 4	2.48	2.32
2017	Quarter 1	2.60	2.34
	Quarter 2	2.50	2.40
	Quarter 3	2.80	2.46
	Quarter 4	3.08	2.76
2018	Quarter 1	3.08	2.68
	Quarter 2	2.72	2.48
	Quarter 3	2.66	2.50
	Quarter 4	2.60	2.10
2019	Quarter 1	2.28	1.86
	Quarter 2	1.99	1.63
	Quarter 3	1.87	1.63

Source: CapitalIQ

7.1.8. Summary of financial position and operating performance

Summary of the Company's financial position from 2016 – 2018 and Q2/2018 and Q2/2019 are as follows:

Table 7-9: Summary of the Company's financial position from 2016 – 2018 and Q2/2018 and Q2/2019

Financial position of CNS	2016		2017		2018		30 June 2018		30 June 2019	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Assets										
Cash and cash equivalents	437.96	4.24	280.29	2.18	388.06	3.90	397.96	3.44	435.51	5.04
Receivables from Clearing House and broker-dealers	468.50	4.54	778.93	6.05	29.38	0.30	907.10	7.85	449.42	5.20
Securities and derivatives business receivables										
Securities business receivables	8,790.80	85.10	10,673.22	82.96	8,435.32	84.76	9,404.35	81.35	6,947.58	80.46
Accrued interest receivables	30.55	0.30	35.33	0.27	25.23	0.25	31.39	0.27	23.71	0.27
Total securities business receivables and accrued interest receivables	8,821.35	85.40	10,708.55	83.23	8,460.56	85.01	9,435.75	81.63	6,971.28	80.73
Less: Allowance for doubtful accounts	(6.34)	(0.06)	(6.97)	(0.06)	(113.19)	(1.14)	(113.19)	(0.98)	(113.15)	(1.31)
Net securities business receivables	8,815.02	85.34	10,701.58	83.17	8,347.36	83.87	9,322.55	80.65	6,858.13	79.42
Derivatives business receivables	0.47	0.01	0.33	0.01	0.40	0.01	1.01	0.01	1,158.09	0.01
Net securities business and derivatives business receivables	8,815.48	85.35	10,701.90	83.18	8,347.76	83.88	9,323.56	80.66	6,859.29	79.44
Investments	187.83	1.82	624.25	4.85	702.61	7.06	456.65	3.95	438.31	5.08

Financial position of CNS	2016		2017		2018		30 June 2018		30 June 2019	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Premises and equipment	130.48	1.26	115.39	0.90	88.90	0.89	99.81	0.86	85.53	0.99
Intangible assets	12.70	0.12	12.93	0.10	26.52	0.27	15.59	0.13	26.25	0.30
Deferred tax assets	68.65	0.66	72.76	0.57	83.88	0.84	61.17	0.53	78.80	0.91
Other assets	207.62	2.01	279.71	2.17	285.11	2.86	297.84	2.58	261.79	3.03
Total assets	10,329.20	100.00	12,866.16	100.00	9,952.21	100.00	11,559.67	100.00	8,634.91	100.00
Liabilities and equity										
Liabilities										
Borrowings from financial institutions	2,050.00	19.85	3,800.00	29.53	1,250.00	12.56	3,000.00	25.95	1,450.00	16.79
Payables to Clearing House and broker-dealers	70.84	0.69	642.98	5.00	478.20	4.80	3.70	0.03	1.76	0.02
Securities and derivatives business payables	2,294.23	22.21	2,376.69	18.47	2,157.29	21.68	2,679.89	23.18	1,636.74	18.95
Corporate income tax payables	69.56	0.67	53.22	0.41	37.87	0.38	2.52	0.02	-	-
Debt issued and other borrowings	-	-	-	-	299.53	3.01	299.52	2.59	-	-
Provision for long-term employee benefits	92.07	0.89	100.04	0.78	97.41	0.98	104.50	0.90	132.85	1.54
Other liabilities	267.25	2.59	318.09	2.47	321.65	3.23	242.64	2.10	236.86	2.74
Total liabilities	4,843.94	46.90	7,291.02	56.67	4,641.95	46.64	6,332.77	54.78	3,458.21	40.05
Equity										
Share capital – Registered, issued and paid-up 2,150,469,000 ordinary shares of THB 1 each	2,150.47	20.82	2,150.47	16.71	2,150.47	21.61	2,150.47	18.60	2,150.47	24.90
Premium on share capital and treasury stock	2,133.32	20.65	2,133.32	16.58	2,133.32	21.44	2,133.32	18.45	2,133.32	24.71
Retained earnings										
Appropriated – statutory reserve	155.00	1.50	178.80	1.39	187.70	1.89	178.80	1.55	187.70	2.17
– general reserve	215.00	2.08	215.00	1.67	215.00	2.16	215.00	1.86	215.00	2.49
Unappropriated	832.97	8.06	897.52	6.98	623.77	6.27	549.32	4.75	490.20	5.68
Other components of equity – surplus (deficit) revaluation on investments	(1.49)	(0.01)	0.03	0.00	-	-	-	-	-	-
Total equity	5,485.26	53.10	5,575.14	43.33	5,310.26	53.36	5,226.90	45.22	5,176.69	59.95
Total liabilities and equity	10,329.20	100.00	12,866.16	100.00	9,952.21	100.00	11,559.67	100.00	8,634.91	100.00

Source: 2016, 2017 and 2018 Annual report and financial statement as of 30 June 2018 and 30 June 2019 of CNS

Balance sheet analysis

Assets

Total assets as at 30 June 2019 decreased by THB 1,317.31 million when compared to 31 December 2018

Cash and cash equivalents

Cash and cash equivalents increased by THB 47.46 million or 12.23 percent from THB 388.06 million as at 31 December 2018 to THB 435.51 million as at 30 June 2019, mainly driven by the increase in short-term financing from financial institutions to support business growth during the end of 2nd quarter in 2019.

Receivables from Clearing House and broker-dealers, and securities and derivatives business receivables

Receivables from Clearing House and broker-dealers, and securities and derivatives business receivables decreased by THB 1,488.47 million or 17.83 percent, from THB 8,347.76 million as at 31 December 2018 to THB 6,859.29 million as at 30 June 2019, mainly driven by the decrease of the cash accounts by THB 1,158.98 million from THB 1,587.81 million at 31 December 2018 to THB 428.83 million at 30 June 2019 due to the volatile market sentiment during the 2nd quarter of 2019. However, the outstanding receivables from Clearing House and broker-dealers increased from the end of 2018 due to the increase in trading transactions during the end of 2nd quarter of 2019 which were not yet due.

As at 30 June 2019, CNS classified its securities business receivables including related interest receivables in the total balance of THB 6,858.29 million (net with allowance for doubtful accounts amount of THB 113.15 million) as normal by THB 6,858.74 million, as substandard by THB 106.78 million and as doubtful by THB 6.97 million. As at 31 December 2018, the total balance of its securities business receivables including related interest receivable of THB 8,347.76 million (net with allowance for doubtful accounts amount of THB 113.19 million); was classified as normal by THB 8,346.96 million, as substandard by THB 107.02 million and as doubtful by THB 6.97 million. CNS fully set the allowance for doubtful accounts. For prudence, CNS set up the allowance for doubtful accounts for substandard debt balance due to an order from a government agency to freeze all collateral belonging to a certain credit balance client.

Investments

Investments decreased by THB 264.30 million or 37.62 percent, from THB 702.61 million as at 31 December 2018 to THB 438.31 million as at 30 June 2019, mainly driven by the drop of the trading debt securities in line with the debt securities market sentiment.

Premises and equipment

Premises and equipment decreased by THB 3.37 million or 3.79 percent, from THB 88.90 million as at 31 December 2018 to THB 85.53 million as at 30 June 2019, mainly driven by the depreciation.

Liabilities

Total liabilities as at 30 June 2019 decreased by THB 1,183.74 million when compared to 31 December 2018

Borrowings from financial institutions

Borrowings from financial institutions increased by THB 200 million or 16.00 percent, from THB 1,250 million as at 31 December 2018 to THB 1,450 million as at 30 June 2019 in order to support the increase of Block Trade – Single Stock Futures business during the late of 2nd quarter of 2019.

The ending balance as at 30 June 2019 consisted of promissory notes and the short-term borrowings of THB 1,350 million and the long-term borrowings of THB 100 million which was in line with the funding policy and the risk management policy.

Payables to Clearing House and broker-dealers and Securities and derivatives business payable

Payables to Clearing House and broker-dealers and securities and derivatives business payable decreased by THB 520.56 million or 24.13 percent, from THB 2,517.29 million as at 31 December 2018 to THB 1,636.74 million as at 30 June 2019, mainly driven by the slowdown of the SET's turnover during the end of 2nd quarter ended 30 June 2019.

Provisions for long-term employee benefits

Provisions for long-term employee benefits increased by THB 35.44 million or 36.38 percent, from THB 97.41 million as at 31 December 2018 to THB 132.85 million as at 30 June 2019, mainly driven by the actuarial gain and the provisions for long-term employee benefits recognized during the 6-month period ended 30 June 2019. Moreover, CNS recognized the addition employee benefit for the period of this year of THB 33.09 million. The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, this Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate.

Other liabilities

Other liabilities decreased by THB 84.79 million or 23.36 percent, from THB 321.65 million as at 31 December 2018 to THB 236.86 million as at 30 June 2019, mainly driven by the decrease of accrued personnel expenses.

Equity

Total equity as at 30 June 2019 decreased by THB 133.57 million when compared to 31 December 2018

Total equity decreased by THB 133.57 million or 2.52 percent, from THB 5,310.26 million as at 31 December 2018 to THB 5,176.69 million as at 30 June 2019, mainly driven by the following factors;

- Retained earnings decreased by THB 164.74 million mainly driven by the dividend paid during the 6-month period ended 30 June 2019 for the performance for the fiscal year 2018 as approved by the Annual General Meeting of Shareholders No. 1/2562 held on 26 April 2019.
- Retained earnings increased by THB 34.17 million from the performance for the 6-month period ended 30 June 2019.

Overview of CNS's Financial Position as of 30 June 2019 was as follows;

Total assets decreased by THB 1,317.31 million or 13.24 percent, from THB 9,952.21 million as at 31 December 2018 to THB 8,634.91 million as at 30 June 2019 from the decrease of investments in debt securities and credit balances receivables due to the volatile trading volume. The balance of the total assets as at 30 June 2019 was mainly securities and derivatives business receivables or 79.44 percent of the total assets.

Total liabilities decreased by THB 1,183.74 million or 25.50 percent, from THB 4,641.95 million as at 31 December 2018 to THB 3,458.21 million as at 30 June 2019, mainly driven by the decrease of the bill of exchange which was matured in the first half of this year and the drop of securities and derivatives business payables which was mainly driven by the lower trading volume during the end of 30 June 2019. The balance

of the total liabilities as at 30 June 2019 was mainly securities and derivative business payables or 47.33 percent of the total liabilities.

Total equity decreased by THB 133.57 million or 2.52 percent, from THB 5,310.26 million as at 31 December 2018 to THB 5,176.69 million as at 30 June 2019, mainly driven by the decrease of net profit for the 6 months period ended 30 June 2019 compared to the same period of 2018 and dividend payment.

As a result, debt to equity ratio dropped from 0.87 times as at 31 December 2018 to 0.67 times as at 30 June 2019 mainly from the decrease of the securities and derivatives business payables and debt issued. Such debt to equity ratio was low and had no impact on the compliance with the debt covenant. Net book value decreased by THB 0.06 per share from THB 2.47 per share as at the end of 31 December 2018 to THB 2.41 per share as at 30 June 2019. The funding was monitored to ensure it was in compliance with the funding and risk management policy and also achieved an appropriate level of funding costs.

CNS had high financial liquidity. Net liquid capital as at 30 June 2019 at THB 4,626.02 million, while net liquid capital rule (NCR) ratio was 168.95 percent of general liabilities and collateral which was much higher than the minimum net liquid capital of THB 25 million and the minimum net liquid capital ratio of 7 percent of general liabilities and collateral, whichever is higher regarding the SEC's requirements.

In conclusion, CNS was a security company with a strong financial position and a high financial stability.

Table 7-10: Profit and loss account 2016 – 2018 and Q2/2018 and Q2/2019

Profit and loss of SIS	2016		2017		2018		30 June 2018		30 June 2019	
	THB million	%	THB million	%	THB million	%	THB million	%	THB million	%
Profit or loss:										
Revenue										
Brokerage fees	940.20	55.57	812.78	43.88	730.83	46.12	417.46	47.13	258.63	41.38
Fees and service income	261.75	15.47	428.60	23.14	385.96	24.36	211.53	23.88	181.73	29.07
Interest on margin loans	356.17	21.05	363.88	19.64	367.04	23.16	202.31	22.84	141.19	22.59
Gain and return on financial instruments	121.75	7.20	240.27	12.97	88.12	5.56	51.19	5.78	38.72	6.19
Other income	12.00	0.71	6.83	0.37	12.68	0.80	3.21	0.36	4.78	0.77
Total revenue	1,691.87	100.00	1,852.36	100.00	1,584.62	100.00	885.69	100.00	625.06	100.00
Expenses										
Personnel expenses	648.92	38.36	641.97	34.66	651.48	41.11	333.63	37.67	348.26	55.72
Fees and services expenses	180.92	10.69	263.59	14.23	203.29	12.83	126.76	14.31	75.43	12.07
Financial costs	87.50	5.17	82.09	4.43	88.76	5.60	50.86	5.74	25.99	4.16
Bad debt and doubtful accounts (reversal)	-	-	0.64	0.03	106.22	6.70	106.22	11.99	(0.04)	(0.01)
Other expenses	263.81	15.59	273.72	14.78	317.12	20.01	143.12	16.16	134.72	21.55
Total expenses	1,181.15	69.81	1,262.01	68.13	1,366.87	86.26	760.58	85.87	584.36	93.49
Profit before income tax	510.72	30.19	590.35	31.87	217.75	13.74	125.11	14.13	40.70	6.51
Income tax	(98.54)	(5.82)	(114.91)	(6.20)	(40.23)	(2.54)	(21.72)	(2.45)	(6.53)	(1.05)
Profit for the period	412.18	24.36	475.44	25.67	177.52	11.20	103.39	11.67	34.17	5.47

Source: 2016, 2017 and 2018 Annual report and financial statement as of 30 June 2018 and 30 June 2019 of CNS

Analysis of operating result

Revenue

Total revenues for the 6-month period end 30 June 2019 decreased by THB 260.63 million when compared to the same period of 2018

Brokerage fees

Brokerage fees for the 6-month period end 30 June 2019 decreased by THB 158.82 million or 38.05 percent, from THB 417.46 million for the first 6-month period of last year to THB 258.63 million for the same period of this year.

Brokerage fees decreased mainly driven by the decrease of the brokerage fee from securities business and derivatives business by THB 146.09 million and THB 12.73 million, respectively, due to the volatility of the trading volume in SET, the fierce competition in securities, the personnel scarcity, the competition in commission rate as well as the increase of trading by AI. As a result, CNS's market shares and brokerage fees decreased.

The decrease of brokerage fees and total income as mentioned above caused the decline in brokerage fees to total income ratio from 47.14 percent in the 1st half of 2018 to 41.38 percent in the 1st half of 2019.

Fees and service income

Fees and service income for the 6-month period ended 30 June 2019 decreased by THB 29.80 million or 14.09 percent, from THB 211.53 million for the first 6-month period end 30 June 2018 to THB 181.73 million for the same period of this year.

Fees and service income decreased mainly driven by the decrease of the income from the selling agent business and the service fee from Nomura Group by THB 64 million. However, the underwriting business and the securities borrowing and lending business increased by THB 33 million.

The decrease of fees and service income and total income as mentioned above drove the rise of the fees and service income to total income ratio from 23.88 percent in the 1st half of 2018 to 29.07 percent in the 1st half of 2019.

Interest on margin loans

Interest on margin loans for the 6-month period end 30 June 2019 decreased by THB 61.12 million or 30.21 percent, from THB 202.31 million in the 6-month period ended 30 June 2018 to THB 141.19 million for the same period of this year, mainly driven by the decrease of the margin loan business during the first half of 2019 from market sentiment.

However, the decrease of interest on margin loans and total income as mentioned above, caused the interest on margin loans to total income ratio decrease from 22.84 percent for the 1st half of 2018 to 22.59 percent for the 1st half of 2019.

The outstanding margin loan decreased by THB 1,386.96 million or 19.94 percent from THB 6,953.84 million as at 30 June 2018 to THB 5,566.88 million as at 30 June 2019.

Gain and return on financial instruments

Gain and return on financial instruments for the 6-month period ended 30 June 2019 decreased by THB 12.47 million or 24.36 percent, from THB 51.19 million for the first 6-month period ended 30 June 2018 to THB 38.72 million for the corresponding period of this year.

For the first half of 2019, gain and return on financial instruments decreased, mainly driven by the decrease in demand of the block trade business - single stock futures which impacted from the SET's volatility. In addition,

the income from the fixed income trading business decreased, mainly driven by the lower of investors' confidence due to the default of private companies' debt securities and the uncertainty of arising if interest rate.

The decrease of gain and return on financial instruments as mentioned above drove the gain and return on financial instruments to total income ratio from 5.78 percent for the 1st half of 2018 to 6.19 percent for the 1st half of 2019.

Other income

Other income for the 6-month period ended 30 June 2019 increased by THB 1.58 million or 49.23 percent, from THB 3.21 million for the 6-month period end 30 June 2018 to THB 4.78 million for the same period of 2019, mainly from the increase in promotion income from selling agent business.

The increase of other income as mentioned above caused the slight growth of the other income to total income ratio from 0.36 percent for the 1st half of 2018 to 0.77 percent for the 1st half of 2019.

Expenses

Total expenses for the 6-month period end 30 June 2019 decreased by THB 178.22 million (or approximately 23.17 percent) when compared to the same period of 2018

Personnel expenses

Personnel expenses for the 6-month period ended 30 June 2019 increased by THB 14.63 million or 4.39 percent, from THB 333.63 million for the 6-month period ended 30 June 2018 to THB 348.26 million for the corresponding period of 2019, mainly from the addition employee benefit set in the current period of THB 33.09 million according to the Labor Protection Act (No. 7) B.E. 2562 which has been announced in the Royal Gazette on 5 April 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. On the contrary, brokerage incentive decreased by THB 20 million in line with the decrease of securities brokerage fee.

Fees and service expenses

Fees and service expenses for the 6-month period ended 30 June 2019 decreased by THB 51.33 million or 40.49 percent, from THB 126.76 million for the 6-month period ended 30 June 2018 to THB 75.43 million for the corresponding period of 2019, mainly driven by the decrease of fee and service expenses fee which varied by the drop of the selling agent business and securities trading transactions.

Financial costs

Financial costs for the 6-month period end 30 June 2019 decreased by THB 24.87 million or 48.90 percent, from THB 50.86 million for the 6-month period ended 30 June 2018 to THB 25.99 million for the corresponding period of 2019, mainly driven by the decrease of the margin loan business and the Block Trade – Single Stock Future business.

Bad debt and doubtful accounts

Bad debt and doubtful accounts for the 6-month period ended 30 June 2019 decreased by THB 106.27 million or 100.04 percent. For the 6-month period ended 30 June 2018, CNS set up bad debt and doubtful accounts in amount of THB 106 million for one receivable whose asset was frozen by a government agency. The Company is on the legal process to claim for the whole receivable amount. While there was no additional provision for bad debt and doubtful accounts for the corresponding period of this year.

Other expenses

Other expenses for the 6-month period ended 30 June 2019 decreased by THB 8.39 million or 5.86 percent, from THB 143.12 million for the 6-month period ended 30 June 2018 to THB 134.72 million for the corresponding period of this year, mainly from the decrease in expenses related to lawsuit case.

Income tax

Income tax for the 6-month period end 30 June 2019 decreased by THB 15.18 million or 69.89 percent, from THB 21.72 million for the 6-month period ended 30 June 2018 to THB 6.54 million for the corresponding period of this year from the decrease of the profit before income tax as mentioned above. The corporate income tax rate for the first half of 2019 was 20 percent, the same rate for the corresponding period of 2018.

Overview of the CNS' Performance and significant changes throughout the 6-month period end 30 June 2019 and 2018

CNS's overall performance for the 6-month period ended 30 June 2019 decreased from the same period of prior year. For the first half of 2019, the net profit was THB 34.17 million, and the earnings per share was THB 0.02, decreasing by THB 69.23 million or 66.95 percent from the corresponding period of 2018 where the net profit was THB 103.39 million, and the earnings per share was THB 0.05.

The net profit decreased, mainly because the decrease portion of total income was higher than the decrease portion of total expenses. Total income decreased by THB 260.63 million or 29.43 percent, from THB 885.69 million in the 1st half of 2018 to THB 625.06 million in the 1st half of 2019. In the meanwhile, total expenses decreased by THB 176.22 million or 23.17 percent, from THB 760.58 million in the 1st half of 2018 to THB 584.36 million in the 1st half of 2019.

Total income decreased, mainly driven by the decrease of income from brokerage business in equities and derivatives, block trade – single stock futures business, debt securities trading business, selling agent business and margin loan. While the income from investment banking business and Stock borrowing and Lending business slightly increased.

Total expenses decreased, mainly driven by the decrease of financial costs, fee and services expenses, personnel expenses which was variable cost with the securities brokerage business and other expenses while there was no addition allowance for doubtful accounts. On the other hand, employee benefit expense significantly increased because CNS set additional employee benefit obligation for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate according to the Labor Protection Act (No. 7) B.E. 2562 which had been announced in the Royal Gazette on 5 April 2019.

In conclusion, CNS's profitability for the 6-month period end 30 June 2019 fell in comparison to the same period of prior year, as a result of the instability of domestic and world economic from the trade war causing the volatility of the trading volume in SET. The fierce competition in securities business was the main reason of lower brokerage commission income and selling agent fee which finally caused the lower performance of CNS as a whole.

Table 7-11: Summary of cash flow statement of CNS

THB million	As of 31 December			6 months ended 30 June	
	2016	2017	2018	2018	2019
Net cash used in operating activities	(1,332.99)	(20.58)	643.61	623.66	217.63
Net cash used in investing activities	494.67	249.99	(84.24)	(54.39)	(2.44)
Net cash used in financing activities	(387.09)	(387.09)	(451.60)	(451.60)	(167.74)
Net increase (decrease) in cash and cash equivalent	(1,025.41)	(157.67)	107.77	117.67	47.46
Cash and cash equivalent at ending of the year	437.96	280.29	388.06	397.96	435.51

Source: 2016, 2017 and 2018 Annual report and financial statement as of 30 June 2018 and 30 June 2019 of CNS

Cash flow

In the first 6-month period of 2019, the Company had an increased in cash flow from Operating Activities of THB 217.63 million.

The main items that increased cashflow from Operating Activities of the year 2019 were

- Decrease in securities and derivatives business receivables THB 1,486.99 million
- Decrease in trading securities THB 274.79 million
- Increase in borrowings from financial institutions THB 377.13 million

The main items that decreased cashflow of the year 2019 were

- Increase in receivables from Clearing House and broker-dealers THB 428.00 million
- Decrease in payables to Clearing House and broker-dealers THB 476.43 million
- Decrease in securities and derivatives business payables THB 523.40 million

In 2018, the Company had an increased in cash flow from Operating Activities of THB 643.61 million.

The main items that increased cashflow from Operating Activities of the year 2018 were

- Decrease in receivables from Clearing House and broker-dealers THB 763.57 million
- Decrease in securities and derivatives business receivables THB 2,237.83 million
- Increase in cash received from interest on margin loans THB 377.13 million

The main items that decreased cashflow of the year 2018 were

- Decrease in borrowings from financial institutions THB 2,550.00 million
- Decrease in payables to Clearing House and broker-dealers THB 164.79 million
- Decrease in securities and derivatives business payables THB 217.98 million

In 2017, the Company had a decreased in cash flow from Operating Activities of THB 20.58 million

The main items that increased cashflow from Operating Activities of the year 2017 were

- Increase in borrowings from financial institutions THB 1,750.00 million
- Increase in payables to Clearing House and broker-dealers THB 572.15 million

- Increase in cash received from interest on margin loans THB 359.10 million

The main items that decreased cashflow of the year 2017 were

- Increase in receivables from Clearing House and broker-dealers THB3 18.43 million
- Increase in securities and derivatives business receivables THB 1,882.28 million
- Increase in trading securities THB 525.68 million

Key financial ratio

Table 7-12: Key financial ratio

	As of 31 December			6 months ended 30 June
	2016	2017	2018	2019
Profitability Ratio				
Gross Profit Margin (%)	83.93 ²	81.27 ²	81.42	83.65
Net Profit Margin (%)	24.50 ²	25.67 ²	11.20	5.47
Return on Equity (%)	7.52	8.60	3.26	1.30
Return on Investment (%)	22.62 ¹	55.61	12.16	16.42
Efficiency Ratio				
Return on Assets (%)	3.87	4.10	1.56	0.74
Assets Turnover (times)	0.16	0.16	0.14	0.13
Financial Ratio				
Liquidity Assets on debt (times)	0.30	0.24	0.65	0.54
Asset Income on debt (times)	4.58 ¹	3.04	6.87	5.24
Liquidity Assets on Total Assets (%)	5.98	6.98	10.06	9.08
Asset Income on Total Assets (%)	90.81 ¹	89.77	107.00	87.94
Debt/Equity (times)	0.88	1.31	0.87	0.67
Dividend Pay-Out (%)	93.91	94.99	N/A	N/A
Other Ratios				
Investment in Securities to Assets (%)	1.82 ¹	4.85	7.06	5.08
Net Capital Ratio (%)				
(calculation was based on the SEC's requirement)	121.05	76.88	158.40	168.95
Data Per Share				
Book Value (Baht)	2.55	2.59	2.47	2.41
Profit for the year (Baht)	0.19	0.22	0.08	0.02
Dividend (Baht)	0.18	0.21	N/A	N/A
Growth Rate				
Total Assets (%)	(5.76)	24.56	(22.65)	(13.24)
Total Liabilities (%)	(11.73)	50.52	(36.33)	(25.50)
Income from Sales and Services (%)	(0.32) ²	10.49 ²	(14.82)	50.05
Operating Expenses (%)	(0.87) ²	1.40 ²	5.78	0.50
Profit for the year (%)	(0.91)	15.35	(62.66)	(66.96)

¹ The comparative figure was changed from the disclosure in 2016 due to the change in the format of the financial statements of securities companies from the implementation of the SEC's Notification No. Sor. Tor. 22/2559 dated 2 June 2016 Re: The format of the financial statements of securities companies, which are effective for fiscal years beginning on or after 1 January 2017.

² The comparative figure shown herein differ from that of 2017 due to brokerage fees and interest on margin loans reclassification in the figure to correspond with the financial statement of the year ending 2018, this new classification affects total revenue but does not affect total profit for the year.

7.2. Overview of the Industry Condition of CNS

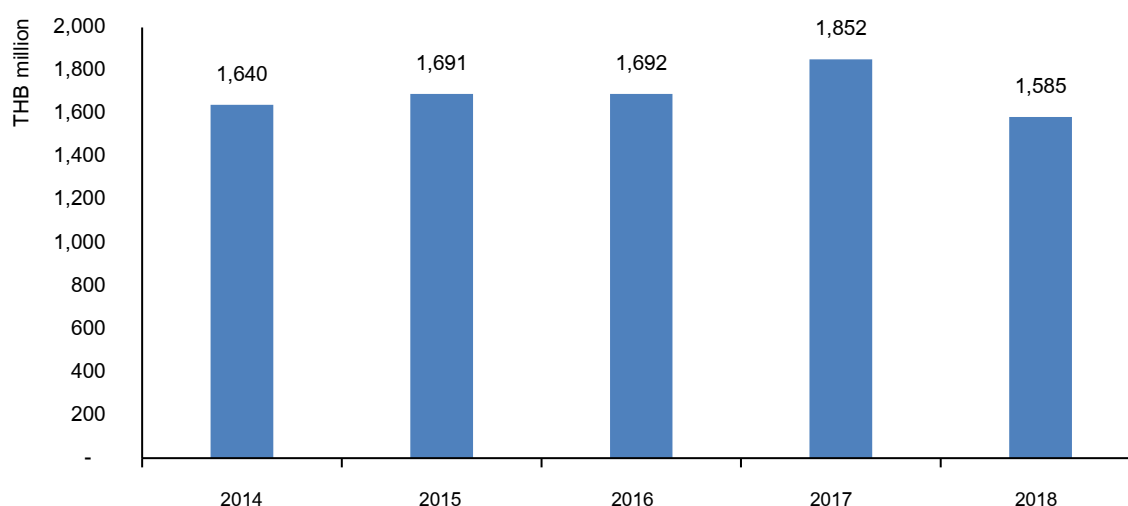
CNS's status and its competition

Capital Nomura Securities Public Company Limited was established in 1970 and the Company was listed in the Stock Exchange of Thailand in 1988.

The revenue of the Company has grown steadily almost every year in accordance with the expansion of the stock market. The Company had the highest total revenues in 2017 when the selling agent business and margin loan business significantly grew, which were the key factors for CNS to be able to make profit under the uncertainties of the economic and investment condition. In addition, CNS also earned more from the block trade business – single stock futures. CNS also got profit from selling other investments – a non-listed company with no relation to CNS's business which had been held for a long time. As a result, CNS's performance of 2017 ended with an increase in net profit of 15.35 percent from the year 2016.

However, the 1st half of 2019 was more challenging as the economy and investment activity were volatile as the consequence from various domestic and global factors together with higher competition. For the period of 6 months ended 30 June 2019, the brokerage business in equities and derivatives, block trade – single stock futures business, debt securities trading business, selling agent business and margin loan decreased to some extent while investment banking business and Stock borrowing and Lending business slightly increased which led to the decrease in profit compared to the same period of 2018. However, CNS still maintained the strategy to diversify revenue sources as well as adding value to differentiate CNS's financial and investment products and services to gain clients' satisfaction and create sustainability to CNS in the long term.

Diagram 7-2: Total revenue of CNS



Ability to compete in the market

With experience in operating for over 48 years, the Company has developed the operations, and been able to expand their customer base and increased efficiency in many areas of competition.

Recognition and understanding of clients' needs

CNS requires clients to do a 'Suitability Test' and also provides the criteria of each product relative to the clients' risk appetite for the benefit of CNS's financial advisors. This supports them in providing clients suitable investment advice, and ensures their decision making is aligned with their clients risk appetite.

Communication between CNS and clients

CNS continually communicates with clients through its website (www.nomuradirect.com), e-mail and monthly newsletter to provide information, news, its seminar, trading application improvement as well as reminders of clients' right and benefits provided by CNS and their securities. In 2018, CNS added another online channel to communicate with clients through social media such as Facebook, Line@, a freeware application to disseminate the investment review from CNS analysts, also to promote company's product, service, news, seminar and activities. Also, CNS performs hearings to clients' comments and complaints.

Financial and investment products and services innovation

CNS arranged the CNS Corporate Access program, where clients, investors, analysts and financial advisors (FAs) to directly meet top management of the companies listed on the SET and the MAI and obtain information on or ask about the management's outlook as encouraged, supported and gave the quality information including of financial and investment literacy to the investors and FAs which the feedback was satisfied. In 2018, total 4 SET companies and 12 MAI companies participated in this program. Moreover, CNS arranged 44 trainings and seminars in total, with more than 1,400 participants, to provide clients financial and investment information and knowledges by internal and external experts covering equity, derivatives and mutual funds monthly, for clients' development and literacy. CNS also timely communicates to clients about their relevant investment information. In addition, CNS provides research papers to meet clients' needs and is aware of the information accuracy as well as provides clients a variety of investment tools for clients' continuous trading.

Corporate system

CNS provides clients only reliable, transparent and accurate information, both in written and verbally on behalf of CNS as well as complies with the requirements of the SEC and the SET. Furthermore, CNS considerably examines products, services, and communication media launched by CNS to ensure that CNS provides service standard, for the best interests of clients, with the alignment of the principles of Good Corporate Governance and the international principles as well as relevant rules, regulations and law. CNS keeps clients' information confidential. Access to clients' information is restricted and limited to only the certain responsible persons (Need to know basis). Also, CNS conducts its business with clients with fairness and integrity and complies with the requirements and conditions stated in the agreement and relevant rules and regulations.

Recognition of the importance of good corporate governance

The Company has recognized the importance of good corporate governance in 8 categories, namely 1) Business ethics awareness 2) Anti-Bribery and Corruption Policy 3) Human Rights 4) Fairness and Labor Practices 5) Client Responsibility 6) Environmental Responsibility 7) Corporate Social Responsibility 8) Innovation from social and environmental responsibility activity. As a result of a survey from the Institute of Directors Association, the Company was considered and rates as “Very Good” since 2016 to 2018. This reflects the emphasize of the good corporate governance which enhances the sustainable growth of the company.



According to the corporate governance survey of the year 2018 which conducted the survey both in SET and MAI, totally 657 companies and also the criteria from this survey was adjusted and modified to comply with the criteria of ASEAN CG Scorecard standards, the Company was considered as “Very Good” with the range of 80 – 89 from 100 points.

Table 7-13: Corporate governance survey of CNS

Year	Result of SIS Assessment	Range of Point	Symbol
2015	Good	70-79	
2016	Very Good	80-89	
2017	Very Good	80-89	
2018	Very Good	80-89	

Having qualified employees

The Company has a reputation for having highly qualified employees who are wanted by our competitors and vendors. The Company provides efficient processes of human resource management from recruiting competent and experienced people to match with their working positions which CNS developed inexperienced talents through “Young Talent Financial Advisor” Program to be qualified financial advisors by providing them relevant trainings. Moreover, CNS continually promoted the employee development in both professional knowledge in various fields and general knowledge as well as a variety of skills. CNS focuses to develop all employees at all levels and lines appropriate for enhancing their potential in relation to their positions by providing training and seminars by experienced and competent internal and external speakers, such as legal knowledge, regulatory compliance, financial and accounting standards, consultative selling skills, securities analysis, information technology standards and ISO standard and etc. The development also includes management capabilities to empower all employees to efficiently and effectively respond to CNS’s strategies and goals to support the future growth of CNS. CNS also develops all employees by providing core training courses so that employees can well perform in line with corporate culture such as new employee orientation, trainings of product and service knowledge, systems and applications. CNS also provides trainings to support employees to attain professional qualifications in the securities business such as Investment Consultant (IC) Investment Planner (IP) licenses and etc.

Furthermore, CNS has a variety of approaches to develop employees such as encouraging employees to gain their knowledge through several channels; CNS's intranet, Facebook Page: Nomura Direct, Line Official: @NomuraDirect, the experiences' video training, supervisors' coaching, on-the-job training, domestic and overseas company visit, knowledge sharing among colleagues as well as learning among management and staff. In 2018, CNS encouraged employees to attend trainings for their knowledge and skill development in total of 99 courses with 1,011 hours, with the annual average employee training hour at approximately 1.87 hours per headcount. The total employee development costs were THB 1.59 million.

Market condition

The average daily turnover (inclusive of proprietary trading) of the SET and the mai decreased from THB 65.61 billion in the first half of 2018 to THB 49.63 billion in 2019 or 24.35 percent decrease, mainly due to uncertainty risk from trade war between USA and China which put pressure to the world and Thailand economics and caused the economic growth for the first half of 2019 of Thailand at 2.55%, decreasing from 4.85% for the first half of 2018. Therefore, the confidence of general investors dropped although there was a net fund inflow to Thai equity market during the first half of 2018 at THB 40.65 billion from the higher weight of Thailand in MSCI which drove the SET index to move upward.

The SET index increased from 1,563.88 as at 28 December 2018 to 1,730.34 as at 28 June 2019 or 10.64 percent increase.

Thailand's economic condition in 2019 and outlook in 2020

Economic and Business Research Center (EIC) of Siam Commercial Bank has revised the Thai economy forecasts for 2019 to be reduced down to 2.8 percent from the previous estimate of 3.0 percent, mainly due to the prolonged trade war, with the latter not only concentrated on industrial production, international trade and investment but also began to cause the service sector to slow down as well. In addition, the risk of a technical recession is likely to increase, especially in countries where the economy relies heavily on international trade such as Germany, Hong Kong and Singapore. Due to the economic slowdown and higher downside risk, the central banks around the world start to use a loose monetary policy to support the economic slowdown. This include many countries that are capable of using fiscal policy space also introduced fiscal measures to stimulate the economy as well.

From the above factors, EIC estimates that the global economy is likely to slow down continuously and when combined with the appreciation of the Thai Baht when compared to the currency of trading partners and competitors, will cause the export sector and tourist spending in the form of Baht to be affected. Therefore, EIC has reduced the estimated growth rate of export value to decrease 2.5 percent while the tourism sector, although the number of tourists is still estimated at 40.1 million, the average cost per head of tourists has been reduced due to the appreciation of Thai Baht.

As for the domestic demand, signals of a slowdown in private spending are more obvious, especially housing sales in the real estate sector and car sales that reduced in accordance with the weak economy as reflected by the reduction of employment, especially in the industrial sector, tourism and agricultural stagnant and declining in consumers' confidence. This include the cautiousness in credit granting by financial institutions due to signs of lower credit quality and tighter credit supervision measures.

As for the government's economic stimulus measures announced in August, EIC estimates that it will help support non-durable goods spending for the rest of the year 2019. However, the delay in passing the fiscal law for year 2020 will affect government capital investment in new projects.

In 2020, EIC expects the Thai economy to expand at 2.8 percent, in line with the global economic slowdown and the household debt which will pressure domestic purchasing power. Low risk from the effects of the prolonged trade war and the risk of recession in many countries is still the main factor causing the global economic recovery to remain unstable. Therefore, EIC estimates that the recovery of Thai exports will be slow, expanding by 0.2 percent. As for the domestic demand sector, EIC expects private investment to slow down slightly from the year 2019, as the demand for exports is still unclear, combined with private construction in the real estate sector that is affected by the LTV measures. Additionally, private consumption has also slowed down due to many factors including high household debt and the caution in granting credit to financial institutions. For this reason, investment in infrastructure and consumption of the government, including additional stimulus measures, will play a greater role in the recovery of the Thai economy in 2020.

Diagram 7-3: The Thai economy outlook estimated by EIC

	Unit	2018	2019F			2020F
			August 2019	October 2019		October 2020
Rea GDP	%YOY	4.1	3.0	2.8	▼	2.8
Private Consumption	%YOY	4.6	4.5	4.2	▼	3.2
Government Consumption	%YOY	1.8	2.0	1.9	▼	2.0
Private Investment	%YOY	3.9	3.4	2.8	▼	2.7
Government Investment	%YOY	3.3	2.0	2.2	▼	4.9
Export Value (USD)	%YOY	7.5	-2.0	-2.5	▼	0.2
Import Value (USD)	%YOY	13.7	-2.9	-3.4	▼	0.3
Headline Inflation	%YOY	1.1	0.9	0.8	▼	0.8
Core Inflation	%YOY	0.7	0.6	0.5	▼	0.7
Brent crude price	USD/Brl.	71.7	66.5	64.1	▼	62.3
	%YOY	31.0	-7.3	-10.6	▼	-2.9
Exchange rate	THB/USD	32.3	30-31	30.3-30.8		30-31
Policy Rate (end of year)	%	1.75	1.25	1.25	■	1.25

▲ Increase

Compared to the previous forecast by ■ Maintain the same level

▼ Decrease

As for monetary policy, EIC maintains its view that the Monetary Policy Committee (MPC) is likely to reduce interest rates once more in the 4th quarter of 2019 to 1.25 percent, the lowest level in history and will maintain this level of interest rates throughout the year 2020. Although the MPC has already reduced the policy rate once in August and reduced the economic projections for both 2019 and 2020 in the latest meeting in September, higher downside risk in the next phase from both inside and outside the country can cause the MPC to lower the Thai economic forecast year 2020 which is expected to grow by 3.3 percent once again. Also, the low inflation trend that is still below the target for this year and next year should allow the MPC to consider lowering the policy interest rate once more in the 4th quarter of 2019 and keep the interest rate at 1.25 percent throughout the year 2020 to support domestic purchasing power through financial cost reduction. Although this may not stimulate new loans under high uncertainty, there will be a significant reduction of debt obligations for households and SME businesses with high debts.

As for the financial stability problems due to prolonged low interest rates, the MPC is likely to use macro and micro prudential measures as the primary risk management tool. As for the direction of Thai Baht, the EIC estimates that the Baht will continue to be under appreciation pressure against the regional currencies due to the high surplus of current accounts in Thailand. The tendency of lower policy interest rate by central banks in regions that may be done than Thailand, which the policy interest rate is already at a relatively low level as well as capital inflows coming in from the moment the Baht is seen as a safe currency in the region, will cause the Baht to move in the range of 30-31 Baht per US dollar in the year 2020.

Risk factors for the Thai economy in the next phase stem from both internal and external. The trade war is still a significant risk that can get more violent and may cause Thai exports and tourism to be affected more than expected, which will cause the Thai economy in 2020 to be slower than expected. Furthermore, other external factors to focus on are geopolitical conflicts such as Brexit, protests in Hong Kong and the conflict between Japan and South Korea that may cause the global economy to further decline and may cause fluctuations in the world money market. Meanwhile, domestic risks stem from the increase in financial vulnerability in both the household and SME sectors, as reflected by the NPL level in both consumer loans and SME loans that are likely to increase from the cumulative effects of the increased debt burden, the decrease in income according to economic conditions and structural changes that make business sales and household income more likely to concentrate. Besides, delays in budgeting including the disbursement efficiency of government sectors is another important internal risk factor that affects the economic growth in the future.

Source: Economic Intelligence Center (EIC) Siam Commercial Bank

Competition of securities brokerage business

The liberalization of securities business licenses and the liberalization of brokerage fee announced by the SET and the SEC which were effective since 2012 have motivated new broker members to enter into the industry. As a result, the brokerage business continued to encounter an intense competition in 2019 and led to the more distribution of the SET's turnover among broker members.

Brokers used several strategies to compete with others by enhancing the quality of information technology services, research papers and providing credit limits of margin accounts as well as enhancing online trading applications to maintain client base and acquire new clients. Some brokers initiated to utilize Artificial Intelligence (AI) Technology for securities trading system and advice. However, some brokers used a low-price strategy to attract investors and an employee poaching.



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Financial Information (Form 56-1) for the six-months period

As at June 30, 2019

Capital Nomura Securities Public Company Limited

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Section 1 Business Operation

1. Policy and Business Overview

Capital Nomura Securities Public Company Limited (“CNS” or “the Company”) is the broker member No.14 of the Stock Exchange of Thailand (“the SET”) and the member of Thailand Futures Exchange (“TFEX”).

CNS engages in the securities business, mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business and selling agent business.

Background

CNS was originally registered as a Limited Company on May 26, 1970 under its name of “Bangkok Nomura International Securities Company Limited” (Company Registration No.317/2513). In 1975, CNS was one of the founding members of the SET.

CNS changed its name to “Bangkok Nomura Finance and Securities Company Limited” on November 1, 1979 and subsequently changed its name to “Capital Finance and Securities Company Limited” on September 23, 1985.

CNS was listed on the SET on April 26, 1988. Afterwards, CNS returned the finance license to the Ministry of Finance and has engaged only in securities business and registered the change in its name to “Capital Securities Company Limited” on June 28, 1991.

CNS was converted into a “Public Company Limited” on February 24, 1994 under the name of “Capital Nomura Securities Public Company Limited” with a Public Company Registration No. 0107537000653.

CNS subsequently changed its Thai name to “บริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)” on December 29, 2010.

Regarding the result of the voluntary tender offer from Nomura Group to purchase CNS shares on April 25, 2014, CNS became a subsidiary of Nomura Group on June 12, 2014.

1.1 CNS's Vision and Mission

CNS adopted Nomura Group Corporate Philosophy for the Company's business.

Mission

Contributing to Society

The Company helps to enrich society through its expertise in capital markets

Vision

Trusted Partner

As a leading financial institution, the Company aims to be the most trusted partner for its clients

Values

Entrepreneurial Leadership

With passion and courage, the Company continually innovates to meet the needs of its stakeholders

Teamwork

To build the Company's values and 'Deliver Together, the Company promotes diversity and collaboration across divisions and by Nomura Group's regions

Integrity

Personal integrity is paramount to us. The Company acts honestly, fairly and openly.

1.2 Major changes and developments

The major changes, developments and business profile in the previous 3 fiscal years were as follows;

Fiscal Year 2017 (Jan 1, 2017 – Dec 31, 2017)

- Continued the "CNS Corporate Access" program from 2015 which received a warm welcome from retail and institutional investors as well as listed companies who saw this program as their benefits in directly providing their information to investors. In 2017, CNS also collaborated with the Market for Alternative Investment ("the MAI") to jointly conduct a special event called "MAI Company Snapshot at Nomura" in order to invite the companies listed on the MAI to join this program. In 2017, there were 59 SET listed companies and 34 MAI companies participated in this program.
- Created a website <https://cnsup.nomuradirect.com> to be an information exchange center for news update, an investment corner and activities for benefits of Startup and SMEs, as well as being a channel to promote and share experience of Startup and SMEs (Startup Experience) who participated in the "CNS Startup & SME Access" program in 2016 to become more widely known. The scope of the website content consists of the following sections;
 1. News Update: Collecting all news and activities from all Startup and SMEs website for the member.
 2. Startup Experience Providing articles and video clips interviewing the Startup and SMEs entrepreneurs' experience to inspire readers and promote their business to become more widely known
 3. Activity Updating CNS's activities relating to the Startup and SMEs
 4. Investment Corner Providing financial articles; infographic or video clips, for members or general individual for their study, and also a direct contact points of FAs, fundamental analysts or Investment Banking Department
- Established Business and Product Development Department to study feasibility of CNS's new business and product.
- As CNS was one of BAHTNET client, it was in the certifying process to be certified to ISO/IEC 27001 Standard on the important settlement system of the Bank of Thailand, namely BAHTNET. This certification was required by the Bank of Thailand Notification No. SorRorKhor. 4/2560 Re: "Requirements on Information Security Management System for BAHTNET Client Computers". This notification required BAHTNET client computers to be certified by ISO/IEC 27001 which will enhance the security of BAHTNET client computers to ensure the integrity and availability of the service for clients. (CNS was certified to such standard on January 26, 2018 with a 3-year term.)

- On December 7, 2017, Fitch assigned CNS with the following credit ratings.

National Long-Term Rating

Upgraded to AA(thai) from AA-(thai); Outlook “Stable”

National Short-Term Rating

F1+(thai), similar to the previous year

National Short-Term Rating on unsecured unsubordinated debenture

F1+(thai), similar to the previous year

Fitch upgraded CNS's National Long-Term Rating as Fitch viewed that there has been an improvement in the credit profile of the CNS's parent Nomura Holdings, Inc. (“NHI”) relative to other entities on the Thai National Ratings scale, which has enhanced its ability to provide support to its Thai subsidiary. CNS's National Long-Term Rating reflected Fitch's view of its strategic importance to NHI due to the following factors;

- ➡ NHI is the majority shareholders with high levels of management control and integration.
- ➡ There was name- and brand-sharing, and history of financial support from NHI.
- ➡ CNS has a well-established franchise and a relatively diverse client base in the Thai securities industry.
- ➡ CNS has been consistently profitable.

CNS's ratings could be impacted by any changes in Fitch's view on NHI's propensity to provide extraordinary support. For example, this may be indicated by significant changes in shareholding or in the level of control NHI has in CNS. However, Fitch does not expect any of such changes to affect NHI's propensity to support CNS in the near term.

- Recruited more FAs through the “Young Talent Financial Advisor” program to serve CNS's future business expansion. This program has been continued since 2010.
- Obtained the average score for the Corporate Governance Report of Thai Listed Companies 2017 conducted by IOD at the level “Very good”, similar to the previous year.
- Added more channels to share financial and investment information and also improved the policy about social media management to cover more services. This is one of the key activities that can create sustainability to CNS's business. Clients and investors can obtain more information for their decision making through several channels matching with investors lifestyle and be self-assured of CNS's online trading applications. Key activities were as follows;

➡ **Seminar Activities**

Arranged 32 financial and investment trainings and seminars in total, on a monthly basis covering equity, derivatives and mutual funds, by internal and external experts, with more than 1,100 participants.

➡ **Line Official: @ NomuraDirect**

Line Application is a popular social media channel. CNS, therefore, started using Line Official Account: @NomuraDirect in October 2017 to provide clients' and investors' convenience and easy access to CNS's services and any updates of CNS's financial and investment information. This service had a warm welcome with approximately 2,500 followers in the first month. Currently, there were approximately 6,000 followers.

➡ **Facebook Page: Nomura Direct**

Facebook Page is another popular social media channel that CNS used as another channel to share clients and investors financial and investment information on a regular basis, including Live Broadcasting by CNS analysts.

Clients and investors are also able to drop their inquiries as well as seek more information on CNS's services more conveniently through the Facebook Inbox.

➡ **YouTube Channel: Nomura Direct**

Provided **Demonstration Video Clips** on how to use CNS's website and the online investment both in stocks and mutual funds including securities analysis. This is an educational tool for clients to self-use the online trading application more effectively.

- Improved online trading application to meet customers' need, which based on the concept of "convenient, easy to use and fast", the development from the previous year are as follows;

➡ **Website Development**

➤ **Stay signed-on**

After clients log in the applications, they can return to find information on the homepage without logging out. Once they have the information they needed, they can immediately return to the system page. This is to provide more convenient use to stay signed-on.

➤ **Stay NomuraDirect**

Clients can conveniently use either eFin Trade Plus or Streaming applications under the website (www.nomuradirect.com) such as mutual fund trading, deposit/withdrawal transactions, research papers, SBL trading and other functions via the "Nomura" menu on any devices.

➡ **New version of SBL Real Time**

Improved the SBL Real Time program to allow clients to access SBL Real Time service on any online devices and all operating systems to serve the current technology and serve clients' SBL orders more effectively.

➡ **Streaming Application**

Added more functions to meet clients' needs and to bring out comprehensive investment guidelines.

- Added the “**Nomura Dollar Cost Average (DCA)**” function, a saving money service through investment in stocks on a regular schedule to facilitate clients and to also serve clients' financial planning for their retirement.
- Added the “**Stock Screener**” service to facilitate clients to easily select or search stocks upon screening criteria.

➡ **eFin Trade Plus**

Added the “**Portfolio Management**” function to analyze the quality of stocks in the portfolio, allowing clients to track their investment portfolio risk for their decision making on portfolio adjustment.

➡ **Nomura iFund**

Added Nomura iFund Basket function, a tool for asset allocation as per investment plan. Clients can choose investment product based on their expected return and risk appetite.

- Developed Mobile Application “**Nomura iFund**” on iOS to serve clients' needs on mutual fund trading through smartphones and facilitate clients who were interested in the investment in mutual funds. CNS also had a plan to continuously develop more functions and services to cover clients' needs.
- Provided research papers of mutual funds to meet client's needs and create opportunities on client-base expansion to CNS's selling agent business.
- Closed 1 branch for more efficiency; Saraburi Branch

Fiscal Year 2018 (Jan 1, 2018 – Dec 31, 2018)

- Continued the 4th year of “CNS Corporate Access” program since year 2015, also continued the 2nd year of the activity: “MAI Company Snapshot at Nomura” since 2017. The program was success and has been well received from retail and institutional investors as well as listed companies. In 2018, there were 4 SET listed companies and 12 MAI companies participated in this program.
- Continued the 2nd year of the website: cnsup.nomuradirect.com and improved the content in website by adding more content about “Aging Society”. CNS viewed that it would be useful to provide information for Startup and SMEs to develop products serving the growing aging society.
- Arranged the “Nomura Classroom Roadshow” event in which our analysts, product specialists and FAs provided knowledge of suitable investments and savings to the interested investors and staff from the participating organizations.
- CNS has been certified to ISO/IEC 27001 Standard of BAHTNET system on January 26, 2018, as required by the Bank of Thailand Notification No. SorRorKhor. 4/2560 Re: “Requirements on Information Security Management System for BAHTNET Client Computers”. This notification required BAHTNET client computers to be certified by ISO/IEC 27001 and also get assessment every year. At the end of 2018, CNS has passed the assessment of ISO/IEC 27001 Standard of BAHTNET system for another year.
- On September 25, 2018, Fitch assigned CNS with the following credit ratings.

National Long-Term Rating

AA(th), similar to the previous year; Outlook “Stable”

National Short-Term Rating

F1+(th), similar to the previous year

National Short-Term Rating on unsecured unsubordinated debenture

F1+(th), similar to the previous year

Fitch announced unchanged for the National Long-Term Rating, Short-Term Rating and National Short-Term Rating on unsecured unsubordinated debenture. The ratings are reflected Fitch’s view as following:

- ➡ CNS is a strategically important subsidiary of Nomura Holdings, Inc. (NHI)
- ➡ The Nomura group controls CNS through its 85.8% ownership. NHI has consistently provided CNS with operational and management support and allow CNS to share the parent’s brand.
- ➡ CNS has a long operation history in Thailand and has built up a sound presence in the local securities industry.

- ➡ Due to competitive pressure in securities sector, Fitch believes that more established firms, including CNS, are better positioned to manage with this competitive environment.
- ➡ Fitch expects CNS's underlying performance to be broadly stable, and it has shown the ability to remain profitable through the cycle.
- Increased the promoting channel for website cnsup.nomuradirect.com through online channel especially social network in website Facebook. Using the Facebook page name CNS Up with the 899 Likes and 913 followers.
- Recruited new Financial Advisors (FAs) through Young Talent Financial Advisor project and continued to improve the FAs' capability to become Investment Planners (IPs) so as to provide greater efficient services to our customers. At the end of 2018, CNS had 72 IPs and increase of 20 IPs from the previous year.
- Obtained the average score for the Corporate Governance Report of Thai Listed Companies 2018 conducted by IOD at the level "Very good", similar to the previous year.
- Improved our news and information communication channels by providing financial information and investment knowledge including the live broadcast by our analysts via social online, continuously from 2017. So the channels altogether can make an effective investment knowledge hub and also allow CNS to present up-to-date information and issues to its investors. Key activities were as follows;

➡ Seminar Activities

Organized seminar & activities, which helped customers to access the information and connect more closely with our speakers and analysts via online channels (such as seminar online and/or Facebook Live) while reduced offline seminar to 28 times and increased total attendances up to 822 persons.

➡ Line Official: @NomuraDirect

At the end of 2018, the followers of Line Application doubly increased from 6,000 followers at the end of 2017 to 12,165 followers. The main messages sent out are analysis from Investment Research and Investor Services (IRIS), news and events of CNS.

➡ Facebook Page: Nomura Direct

CNS increased interest by providing more frequent information including financial and investment knowledge, especially Live (live broadcasting) via Facebook Page: Nomura Direct every Monday - Friday at 10:30 a.m. hosted by IRIS analysts. This channel received a warmly welcomed and created interaction with customers and investors. This was an alternative way to communicate and publicize various activities or promotions rapidly to wide audiences. Viewers can submit questions and/or any queries to the company via inbox through the Facebook Page.

☞ YouTube Channel: Nomura Direct

Increased live sharing (live broadcast) from Facebook to the YouTube Channel: Nomura Direct. Customers and investors can watch both programs via Facebook and YouTube simultaneously. The customers can rerun the clips if they were not convenient to see live. In addition, there are 2 uploaded routines lists; Pak Mood Pra Den Ron (ปากมุดประเด็นร้อน) and Ru Rob Rueng Long Toon (รู้รอบเรื่องลงทุน) at this channel.

- Developed online trading system to meet the needs of customers based on the concept "Convenient, friendly and fast" with further development from the previous year by:

1. Added new service namely "NOMURA Stock DCA"

Nomura Stock Dollar Cost Average (DCA) had been developed in order to support retail customers who want to do savings through investment in stock. With a minimum investment of only Baht 1,000, they can choose to buy stocks in SET High Dividend (SETHD) by themselves via the internet.

2. Website enhancement to support "Social Content"

- ☞ Edited website content to get better rank in search results from google and search engines and be able to share content properly.
- ☞ Added more interesting content in website with new topic "Investor Guide".
- ☞ Added statistical data of clients' usage to create database for further analysis.

3. Website enhancement to support "Mobile Trend"

Edited website content to serve mobile uses by analyzing usage statistics and adjusting the page to display the results fit for mobile devices.

- Developed the "Block Trade Simulation" program to facilitate customers who invest in Block Trade – Single Stock Futures
- Established the Private Wealth Department – PWD to expand the client base and services for high-net-worth individual investors.
- Enhanced "Online Application Form" by improving the entry system for online account opening and status checking to facilitate and save time in opening accounts for customers.
- Developed the automated system to support the increasing number of transactions and online services such as automated filling information for account opening and requests and switching function to different asset management companies ("the AMC"). The clients can perform transactions more conveniently and rapidly.
- Initiated an online service for clients to place orders to buy, redeem or switch via mobile application on both iOS and Android. The clients can access information on mutual funds by themselves with effectiveness and convenience.

- Organized the “Nomura Wealth Access” seminar and broadcast via Facebook Live by inviting Experts from the AMC to educate clients and FAs in mutual funds on a monthly basis.
- Participated in the DCA campaign offered by the SET to promote awareness of the DCA method in mutual fund investment, leading to the higher use of this service via Nomura iFund.
- Closed 1 branch for more efficiency; Ubon Ratchathani Branch.

For the 6 months period ended June 30, 2019 (Jan 1, 2019 – Jun 30, 2019)

- Continued the 5th year of "CNS Corporate Access" program. The program was success and has been well received from retailed and institutional investors as well as listed companies. For the 6 months period ended June 30, 2019, there were 3 SET listed companies participated in this program.
- Cooperated with the SET and allies, held the investment events and seminars. Aims to provide investment knowledge by the analysts and FAs to the investors and alliance's employees.
- Provided investment knowledge and information through the Social Media and continued the 2nd year of streaming live program which have been hosted by CNS analysts to daily update investment trend and situation to online investors.
- Created and broadcasted investment knowledge via the YouTube channel to build up knowledge and understanding of the investment products for newbies and interested investors. For the 6 months period ended June 30, 2019, CNS has broadcasted 2 programs included 4 episodes of Ru Rob Rueng Long Toon by Nomura (รู้รอบเรื่องลงทุน by Nomura) and 7 episodes of Pak Mood Pra Den Ron (ปากมุดประเด็นร้อน).
- CNS has been certified with the ISO/IEC 27001 Standard of BAHTNET system since 2018, as required by the Bank of Thailand Notification No. SorRorKhor. 4/2560 Re: “Requirements on Information Security Management System for BAHTNET Client Computers”. This notification required BAHTNET client computers to be certified under ISO/IEC 27001 which also requires an assessment on an annually basis. For 2019, CNS is in the process to be assessed by the Institution of ISO Assessment.
- On October 10, 2019, Fitch rating assigned CNS with the following credit ratings.

National Long-Term Rating

AA(th), similar to the previous year; Outlook “Stable”

National Short-Term Rating

F1+(th), similar to the previous year

National Short-Term Rating on unsecured unsubordinated debenture

F1+(tha), similar to the previous year

Fitch announced unchanged for the National Long-Term Rating, Short-Term Rating and National Short-Term Rating on unsecured unsubordinated debenture.

“The ratings of CNS are based on Fitch Ratings’ expectations of institutional support from its parent, Nomura Holdings, Inc. (NHI). Fitch believes that:

- CNS is a strategically important subsidiary, as it plays a key role in the group’s regional strategy and exhibits strong synergy with the parent’s operations.
 - CNS supports the group’s Japanese clients in securities trading and investments, although these represent a minority of CNS’s overall client base.
 - The Nomura group controls CNS through its 85.8% ownership. NHI has consistently provided CNS with operational and management support and allowed CNS to share the parent’s brand. The group also provides a back-up credit facility to CNS.
 - CNS, more established firm, is better positioned to cope with the sector’s intense competition and price-cutting on brokerage commissions. CNS has limited market share in securities brokerage trading volume, but it has broad and diversified operations and product range compared with other securities houses.
 - CNS has strong capitalization and low debt to equity ratio, so the risk is low.
 - CNS’s ratings may be downgraded if the parent’s propensity to support the subsidiary was to decline - for example, if there were significant reductions in ownership, financial linkages or management control. Conversely, CNS’s ratings may be upgraded if the company could increase its profit contribution and play a more vital strategic role within the group, making the company a core subsidiary.”
- Recruited new Financial Advisors (FAs) through Young Talent Financial Advisor project and continued to improve the FAs’ capability to become Investment Planners (IPs) so as to provide greater efficient services to our customers. As at June 30, 2019, CNS had 83 IPs and increase of 11 IPs from the end of last year.
 - Created and broadcasted new program named “Technical Exclusive” via Facebook and the YouTube channel to prepare newbie investors about how to use the technical chart. The technical chart is one of important tool to make the investment decision. Technical Exclusive program was created as short video clips to train technical chart – beginner level to know how to adapt.
 - Developed “Nomura iWealth” website to support the investors’ individual goals achievement. The Company has developed a financial planning program based on client investment goals and preferences. Nomura iWealth establishes portfolios from various resources such as investment database and Nomura Group’s global investment view by selecting well performance funds from several asset management companies. When economic conditions changes, Nomura iWealth will notify and suggest about adjustment of investment plan. Moreover, investors can always search for more information and follow all news about

investment in mutual funds, including mutual funds analysis or mutual fund investment articles from <https://nomuraiwealth.nomuradirect.com>.

- Continued the 2nd year of “Nomura Wealth Access” seminar and broadcasted via Facebook Live by inviting Experts from the asset management companies (“the AMC”) to educate clients and FAs in mutual funds on a monthly basis.
- Provided Nomura Stock Dollar Cost Average (DCA) service to support regular monthly investment.
- Participated in the DCA campaign organized by the SET, leading to the higher use of this service via Nomura iFund.
- CNS obtained the Assessment Result of the Annual General Meeting of Shareholders by Thai Investor Association (TIA), which CNS’s score in 2019 was 90.50%, or at “Excellent” level, slightly declining from 92.00% in 2018, or at “Excellent” level.

1.3 Shareholding structure of the Group

CNS had neither subsidiaries nor affiliated companies.

1.4 Relationship with the Group of major shareholders

Regarding the latest record date on March 19, 2019, Nomura Group has been a major shareholder, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd., the company in Nomura Group, holding 85.78% of CNS’s registered and paid-up capital.

Nomura is an Asia-headquartered financial services group with an integrated global network spanning over 30 countries. Nomura services the needs of individuals, institutions, corporates and governments through its 4 business divisions;

- (1) Retail
- (2) Asset Management
- (3) Wholesale - Global Markets and Investment Banking
- (4) Merchant Banking

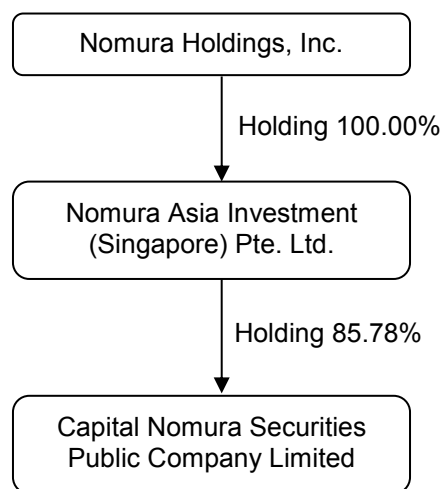
CNS engages in the securities business, mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business and selling agent business, serving retail clients, domestic and foreign institutional clients.

CNS independently operates its business, without materially relying on client introduction or funding from Nomura Group, but have cooperation in business operations.

Regarding the connected transactions in brokerage, financial advisory, securities borrowing and lending as well as other services, transactions between CNS and Nomura Group were agreed as arm's length transactions. All connected transactions were proceeded in accordance with the rules of the SET and the Securities and Exchange Commission ("the SEC").

Regarding the borrowings from Nomura Group for business supports, the interest rate was also at arm's length transactions.

Relationship with Nomura Group regarding the latest record date on March 19, 2019



2. Business Profile

CNS conducts the securities business, a broker member No. 14 of the SET and the member of TFEX, having the following main businesses; securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business and selling agent business.

CNS's income structures over the previous 3 fiscal years were as follows;

Type of Income	For the six-months period ended Jun 30, 2019 (Jan 1, 2019 - Jun 30, 2019)		Fiscal Year 2018 (Jan 1, 2018 - Dec 31, 2018)		Fiscal Year 2017 (Jan 1, 2017 - Dec 31, 2017)	
	million Baht	%	million Baht	%	million Baht	%
Brokerage fees ¹	258.63	41.38	730.83	46.12	812.78	43.88
Fees and service income	181.73	29.07	385.96	24.36	428.60	23.14
Interest on margin loans ¹	141.19	22.59	367.03	23.16	363.88	19.64
Gain and return on financial instruments	38.72	6.19	88.12	5.56	240.27	12.97
Other income	4.79	0.77	12.68	0.80	6.83	0.37
Total Income	625.06	100.00	1,584.62	100.00	1,852.36	100.00

¹ The figures of brokerage fees and interest on margin loans were changed due to the reclassification for the disclosure in 2018 and for the six-months period ended June 30, 2019. However, the reclassification had impact on the total income but no impact on the net profit.

2.1 Business Profiles

CNS's business profiles are as follows;

(1) Securities Brokerage Business

CNS provides securities brokerage services of the securities listed in the SET and the MAI to retail clients, domestic and foreign institutional clients.

CNS provides securities brokerage services of the securities listed in the overseas stock exchanges and/or the securities that the SEC allows domestic investors to invest.

CNS provides high-quality services and research papers as well as experienced financial advisors ("FA"). Clients can place orders through FAs or by themselves through online trading applications and mobile application.

CNS has 3 types of securities trading accounts as follows;

(1.1) Securities Trading Account – Cash Account

Securities trading account – cash account has a Two-day settlement cycle (T+2) which clients must settle within a due through an automatic fund transfer only. (The SET has moved from a three-day settlement and securities delivery cycle (T+3), starting from orders placed on March 2, 2018 to reduce risks across industry and operation costs and enhance the competitive edge.)

Clients can place orders through FAs or by themselves through online trading applications. Clients can trade up to the approved limit.

Clients can place cash with CNS prior to placing orders then they are not requested to settle order by order. Interest on client's cash balance will be calculated on daily basis and will be deposited to their cash balance every month. Such cash balance can be used as a tool of CNS's risk management. Clients whose financial status is not so strong are required to settle with cash balance. Clients are required to place cash with CNS prior to placing orders and the orders cannot exceed the clients' cash balance at CNS. Clients' assets are segregated from CNS's assets in accordance with the SEC's rule and regulations.

(1.2) Margin Loan under Credit Balance Account

Credit balance system is to finance the equity investment. Clients' investment status is considered as a portfolio regardless of the cost of each securities. Clients can place orders through FAs or by themselves through online trading applications.

CNS encourages clients to use credit balance accounts as it will increase clients' purchasing power for investment which will affect the SET's liquidity. To place the first order, clients have to place either cash or securities at the amount not less than initial margin requirement of the purchased amount as determined in the Marginable Securities List.

The initial margin required for each security in the marginable securities list is designated from its liquidity, risk and fundamental factor. If the balance is cash balance, clients will get interest from CNS on cash balance every month and if the balance is credit balance, clients will be charged for interest on margin loans every month. The interest would be calculated on daily basis from both cash balance and credit balance and clients will receive interest if interest from cash balance is higher than from margin loan. On vice versa, the client will be charged if interest from margin loan is higher than from cash balance.

(1.3) Trading Account in the Overseas stock exchanges

CNS provides securities brokerage services of the listed securities in the overseas stock exchanges to expand investment opportunity to clients. The guideline and condition of the account opening is similar to the domestic investment.

CNS requires clients to place cash with CNS in full amount prior to place order as requested by the SEC.

Clients have to follow the rules, conditions and regulation of the exchanges where they invest.

(2) Derivatives Brokerage Business

CNS started derivative business since April 28, 2006, the same date as the opening date of TFEX to offer another investment alternative to clients and to support clients to have an opportunity to get returns on investment at all market situation.

CNS provides all derivative products in TFEX which consist of SET50 Index Futures, SET50 Index Options, Gold Futures, Mini Gold Futures, Gold D Futures, Gold Online Futures, Single Stock Futures, Interest Rate Futures, Sector Index Futures, USD Futures and RSS3 Futures. CNS has highly experienced and highly potential team as well as an effective supporting system which can enhance CNS's competitive advantages in the long run.

Regarding the high-risk characteristic of derivative products, CNS considers appropriate credit limits to match clients' financial status and also allocates credit limits to each investment product to serve clients' needs and help clients manage their risks. Clients can place derivative orders through FAs or by themselves through online trading applications and mobile application.

On December 9, 2016, CNS got approval from the SEC to operate Block Trade Business - Single Stock Futures which were big lot transactions. CNS would do proprietary trading to serve Block Trade Business - Single Stock Futures as well as buy or short selling the borrowed underlying securities to hedge such positions.

CNS has assigned Risk Management Department to periodically review securities that clients can place in Block Trade Business - Single Stock Futures.

(3) Financial Advisory Business

CNS was granted an approval by the SEC to provide financial advisory services within the scope set by the SEC including the financial advisory in underwriting business, listing on the SET and the Market for Alternative Investment (“the MAI”), tender offer, merger and acquisition (M&A) as well as the financial advisory services to shareholders entering into various transactions of the listed companies.

The financial advisory services provided by CNS are as follows;

- Fund raising through Debt Capital Markets
- Business Restructuring and Financial Restructuring Advisory Services
- Mediator Services to establish Joint Ventures
- Project Feasibility Study Services
- Business Valuation Services
- Other Advisory Services such as Information report regarding a capital market, a money market, overall economic and industry condition including rules and regulation of the SEC, the SET and other relevant regulators.

(4) Underwriting Business

CNS provides underwriting and firm underwriting services to corporates who would like to issue both equities and fixed income securities such as common shares, debentures, warrants, unit trusts and etc. for sale to investors.

(5) Fixed Income Trading Business

CNS provides over the counter (OTC) for Fixed Income trading services in both primary and secondary market to retail clients and domestic institutional clients. CNS have internal guidelines for account opening as well as set up the credit limit to each client based on requirement and potential volume of transactions. CNS also have proprietary trading to do dealing of fixed income products.

The Board of Executive Directors sets up the investment policy, types of debt securities, debt holding period and internal controls for risk management of CNS's investment in debt securities. Risk Management Department monitors and controls the investment portfolio in accordance with the investment policy approval.

(6) Securities Borrowing and Lending Business

Securities Borrowing and Lending Business (SBL) is an alternative investment tool or a risk management tool for investment in the SET. When the stock market is declining, investors (i.e. “borrowers”) can borrow shares from CNS for short selling, as well as buying the shares back when the price declines as expected. This will support price stability and liquidity in the SET.

CNS provides SBL service to all types of clients including retail clients and institutional clients. CNS acts as a principal to clients who are the “borrowers” or “lenders” in order to ensure them that all terms and conditions as stated in the SBL agreement will be followed accordingly. The details of services are as follows;

- CNS lends securities to borrowers to short selling securities through their credit balance accounts under CNS. Borrowers shall place collateral to CNS prior to borrow shares and maintain the collateral level according to CNS’s rules. In addition, CNS lends shares to institutional clients who have intention to re-lend the shares to their own clients or to manage the risk of their portfolios.
- CNS borrows securities from lenders who have securities in cash accounts under CNS. CNS shall place cash collateral to lenders and also maintain cash collateral to lenders at 100% of market value of securities on daily basis.
- Borrowers are charged with the borrowing fees whereas the lenders earn lending fees.
- Lenders are still entitled to the benefits of lent securities.

Clients can place SBL orders through FAs or by themselves through online trading applications and mobile application.

(7) Selling Agent Business

CNS engages in selling agent services to all asset management companies (“the AMC”) in Thailand, providing both omnibus account service and selling agent service. The objectives of this business are to create more opportunities for clients for their investment and also to support CNS’s core business and to become a full-service provider which can help increase CNS’s income in the long run.

Clients can place mutual fund orders through FAs or by themselves through online trading applications. Mutual fund trading Service fees are free of additional charge.

CNS has developed the “Nomura iFund” on mobile application, a full-service through online trading applications, to facilitate clients in the mutual funds investment with the following functions;

- To buy, sell and switch mutual funds among all asset management companies in Thailand.
- Mutual Fund Weekly Research is a weekly summary of the investment situation and recommendation for each type of mutual funds with reference to Morningstar Rating.
- Performance Comparison is a service to facilitate client in choosing good performance fund fit to their suitability or interest.
- “Nomura Dollar Cost Average” Service; To provide another channel to facilitate clients who would like to do saving through the investment in mutual funds and for their retirement financial planning.
- “Nomura Automatic Stock to Fund” Service; To facilitate clients to seamlessly link their investment in stocks and mutual funds together to gain the highest benefits.
- “Nomura iFund Basket” Service; To facilitate clients to select their investment in mutual funds match their expected returns and risk appetite.
- “Consolidated Portfolio” Service; To monitor the investment portfolios of the mutual funds of all the AMCs in one account.
- “New Initial Public Offering (IPO)” Service; To search new IPO of the mutual funds on daily basis.

2.2 Market and Competitive Conditions

CNS aims to be one of the country’s leading securities firms providing fully-integrated services. The Marketing position and Competitive condition for the first half of 2019 is as follows;

Securities and Derivatives Brokerage Business

CNS aims to develop FA’s knowledge and expertise and the quality of research papers and the company’s information by increasing a number of research papers to cover more listed companies and more sectors, and regularly providing clients and investors financial and investment information and news through several channels including social media as well as improving the up-to-date information technology system with security concern. These could improve CNS’s competitiveness in the securities and derivatives brokerage business.

Industry condition

The overview of trading volume of SET and mai during the first half of 2019;

The average daily turnover (inclusive of proprietary trading) of the SET and the mai decreased from Baht 65.61 billion in the first half of 2018 to Baht 49.63 billion in 2019 or 24.35% decrease, mainly due to uncertainty risk from trade war between USA and China which put pressure to the world and Thailand economics and caused the economic growth for the first half of 2019 of Thailand at 2.55%, decreasing from 4.85% for the first half of 2018. Therefore, the confidence of general investors dropped although there was fund inflow to Thai equity market

during the first half of 2019 at 40.65 billion Baht from the higher weight of Thailand in MSCI which drove the SET index to move upward.

The SET index increased from 1,563.88 as at the ended of 2018 to 1,730.34 as at June 28, 2019 or 10.64% increase.

Factors having influenced on securities brokerage business in 2019 are as follows;

1. Economics status of Thailand for Y2019 and outlook for Y2020.

In the first half of 2019, the GDP Growth (Gross Domestic Product; GDP) was 2.6% decreased from 2018 at 4.1%. The decrease of GDP Growth in the first half of 2019 was mainly due to the decrease of Export at 4.1% while domestic consumption was the main engine to drive the growth such as domestic consumption growth at 4.6%, investment growth at 2.6% and government spending growth at 2.2%.

Considering from inflation and current account balance, Economic stability during the first half of 2019 was good. General inflation increased 0.9% which was slightly lower than the target by Bank of Thailand at 1.0-4.0. Current account balance was surplus of 19.4 billion USD or 5.5% of GDP.

CNS forecasted the economic growth for the second half of 2019 at 2.8%, therefore the average growth for 2019 will be 2.7%. The growth was mainly due to domestic consumption especially from private and government spending while export of goods and tourism will be improved from the low base of the second half of 2018.

Economic stability for the second half of 2019 will continue to be in good condition; inflation is forecasted to grow at 0.8% therefore general inflation for 2019 will increased 0.9% decreased from 2018 by 1.1%, which is slightly lower than the target by Bank of Thailand at 1.0%-4.0%. Current account balance for the second half of 2019 is forecasted to be surplus of 11 billion USD resulting the surplus of current account for 2019 will be 30.5 billion USD or 5.6% of GDP compared to 6.4% of GDP in 2018.

For 2020, economic of Thailand is forecasted to grow at 3.0% mainly due to internal demand consisting private consumption, government spending and mutual fund while export will resume to slightly grow. Regarding the Economic stability, general inflation will increase 1.0% in line with the target of the Bank of Thailand and current account will be surplus at 31.7 billion USD or 5.6% pf GDP, the same level as 2019.

2. Trend of the listed companies' earnings of 2019

CNS forecasts that domestic consumption, private investment and government spending especially the infrastructure investment will be the main engine to drive the growth of domestic economy in 2019.

Moreover, CNS expects that Monetary Policy Committee (MPC) will decrease the policy rate once from 1.5%pa to 1.25%pa in the 4th quarter of 2019 due to general inflation for 2019 will be at the lower bound and even under the target range by Bank of Thailand due to the declining trend of oil price from 2018. Meanwhile, Thai economy will keep facing uncertainties from continuously declining world trade due to the trade war between USA and China which also caused the dovish policy rate such as Federal Reserve cut the policy rate 2 times, 0.5% in total to 1.75-2.00%pa and it's possible to further cut 0.25% in the 4th quarter of 2019 to 1.5-1.75%pa. Therefore, fund inflows may come to Asia and Thailand during the rest of this year. In addition, Government of Thailand will launch stimulus package to encourage more domestic consumption. These will possibly drive Earnings per Share (EPS) of listed companies for 2019 to grow 4.7% to 99.71 Baht/ share compared to 2018 which dropped 2.8% due to loss on inventory of refinery sector in the 4th quarter of 2018. The budget bill for 2020 will be concluded by end of 2019, which should recover the investors' confidence and support the continuously better market outlook during end of 2019.

3. Competition of securities brokerage business

The liberalization of securities business licenses and the liberalization of brokerage fee announced by the SET and the SEC which were effective since 2012 have motivated new broker members to enter into the industry. As a result, the brokerage business continued to encounter an intense competition in 2019 and led to the more distribution of the SET's turnover among broker members.

Brokers used several strategies to compete with others by enhancing the quality of information technology services, research papers and providing credit limits of margin accounts as well as enhancing online trading applications to maintain client base and acquire new clients. Some brokers initiated to utilize Artificial Intelligence (AI) Technology for securities trading system and advice. However, some brokers used a low-price strategy to attract investors and an employee poaching.

SET Data

	For the six-months period ended June 30, 2019 (Jan 1, 2019 – Jun 30, 2019)	Fiscal Year 2018 (Jan 1, 2018 – Dec 31, 2018)	Change	
			Amount	%
SET Information				
Total Turnover				
Value (billion Baht)	5,872.23	13,820.22	(7,947.99)	(51.51)
Average Daily Turnover (billion Baht)	49.02	56.41	(7.39)	(13.10)
SET Index (Point)				
High (Close)	1,731.64	1,838.96	(107.32)	(5.84)
Low (Close)	1,560.03	1,548.37	11.66	0.75
Close at the end of the year	1,730.34	1,563.88	166.46	10.64
Average Dividend Yield (%)	3.07	3.22	(0.15)	(4.61)
P/E Ratio (Time)	17.22	14.75	2.47	16.77
Market Capitalization (billion Baht)	16,986.84	15,978.25	1,008.59	6.31
Listed Securities				
No. of listed securities	2,581	2,296	285	12.41
No. of listed companies	549	545	4	0.73
No. of newly listed companies	2	8	(6)	(75.00)
mai Information				
Total Turnover				
Value (billion Baht)	83.94	309.86	(225.92)	(72.91)
Average Daily Turnover (billion Baht)	0.70	1.26	(0.56)	(44.25)
mai Index (Point)				
High (Close)	386.64	540.74	(154.10)	(28.50)
Low (Close)	337.87	353.72	(15.85)	(4.48)
Close at the end of the year	363.58	356.44	7.14	2.00
Average Dividend Yield (%)	2.56	2.09	0.47	22.49
P/E Ratio (Time)	48.29	44.30	3.99	9.01
Market Capitalization (billion Baht)	242.90	240.82	2.08	0.86
Listed Securities				
No. of listed securities	194	203	(9)	(4.43)
No. of listed companies	163	159	4	2.52
No. of newly listed companies	7	11	(4)	(36.36)

Source: Market Statistics from the SET, the figure as at December 28, 2018 and for the six-months period ended June 30, 2019 (<https://www.set.or.th>)

Top five broker members in term of market share

Top five broker members of brokerage securities firms for the SET and the mai during the first half of 2019 had total market shares of 31.74%, ranked by total turnover, increased from 29.45% in the first half of 2018, and 28.93% of 2018.

Turnover and market share of securities brokerage business

CNS's turnover in the first half of 2019 decreased from the same period of 2018, with the market share in the first half of 2019 was 1.98%, declining from 2.24% in 2018, with the rank at the 21st out of total 38 broker members which was the same rank as the prior year.

Turnover* (million Baht)	For the 6-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)	Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)
- SET**	5,208,295	12,395,247	10,950,103
- CNS**	205,872	556,151	604,439
CNS's market share (%)**	1.98	2.24	2.76
Ranking	21 st	21 st	15 th
No. of broker members in the SET	38	38	38

Source: the SET

* inclusive of the turnover in the SET and the mai

** exclusive of Proprietary Trading

Turnover classified by types of clients

Considering turnover classified by types of clients, CNS's main client group for the six-months period ended June 30, 2019 was retail clients with the proportion of 43.08%, continuously decreasing from 2017, followed by foreign clients of 36.71%, continuously increasing from 2017, and domestic institutional clients of 20.21%, continuously increasing from 2017.

Turnover classified by types of clients* (million Baht)	For the 6-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)		Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)		Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)	
	Amount	%	Amount	%	Amount	%
- Retail clients	88,685	43.08	269,525	48.46	315,078	52.13
- Domestic institutional clients	41,612	20.21	101,608	18.27	104,965	17.36
- Foreign clients	75,575	36.71	185,018	33.27	184,396	30.51
Total**	205,872	100.00	556,151	100.00	604,439	100.00

* inclusive of the turnover the SET and the mai

** exclusive of Proprietary Trading

Turnover classified by categories

Considering turnover classified by categories, the proportion of the internet trading accounts for the six-months period ended June 30, 2019 was 26.91%, decreasing from 31.93% in 2018. The remainder of 73.09% was the normal trading (through FAs), increasing from 68.07% in 2018.

Turnover classified by categories* (million Baht)	For the 6-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)		Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)		Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)	
	Amount	%	Amount	%	Amount	%
Internet trading						
- Cash account	40,125	18.99	121,041	20.94	143,499	23.43
- Margin account	16,732	7.92	63,519	10.99	74,706	12.19
Total	56,857	26.91	184,560	31.93	218,205	35.62
Normal - through FAs						
- Cash account	148,045	70.07	377,781	65.37	379,280	61.92
- Margin account	6,383	3.02	15,618	2.70	15,048	2.46
Total	154,428	73.09	393,399	68.07	394,328	64.38
Grand Total**	211,285	100.00	577,959	100.00	612,533	100.00

* inclusive of the turnover the SET and the mai

**inclusive of Proprietary Trading

Turnover classified by type of accounts

Considering turnover classified by type of accounts, the proportion of trading of the cash accounts for the six-months period ended June 30, 2019 was 89.06%, increasing from 86.31% in 2018. The remainder of 10.94% was the margin accounts, decreasing from 13.69% in 2018.

Turnover classified by type of accounts* (million Baht)	For the 6-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)		Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)		Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)	
	Amount	%	Amount	%	Amount	%
Cash account						
- Internet trading	40,125	18.99	121,041	20.94	143,499	23.43
- Normal - through financial advisor	148,045	70.07	377,781	65.37	379,280	61.92
Total	188,170	89.06	498,822	86.31	522,779	85.35
Margin account						
- Internet trading	16,732	7.92	63,519	10.99	74,706	12.19
- Normal - through financial advisor	6,383	3.02	15,618	2.70	15,048	2.46
Total	23,115	10.94	79,137	13.69	89,754	14.65
Grand Total**	211,285	100.00	577,959	100.00	612,533	100.00

* inclusive of the turnover the SET and the mai

** inclusive of Proprietary Trading

Trading Volume and Market share of Derivatives Brokerage Business

CNS's trading volume of derivatives for the six-months period ended June 30, 2019 decreased from 2018 with the market share of 1.30%, decreasing from 1.84% in 2018.

Trading Volume of derivatives (Contracts)	For the 6-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)	Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)
- TFEX	45,381,343	104,422,200	78,990,574
- CNS	1,177,198	3,852,916	2,079,826
CNS's market share (%)	1.30	1.84	1.32

Source: TFEX

Financial Advisory Business and Underwriting Business**Industry condition**

During the first half of 2019, there were 9 newly listed companies, including 2 listed companies registered in the SET and 7 listed companies registered in the mai, with the Initial Public Offering (IPO) totaling Baht 15,829.32 million, increasing by 64% from Baht 9,652.2 million during the first half of 2018 which might be caused by the 4 companies being listed in the first half of 2018, while 9 large companies being listed in the first half of 2019. For the first half of 2019 and 2018, newly listed companies are small companies with average market capital Baht 2 billion (calculated from IPO offering prices).

Market share of Financial Advisory Business and Underwriting Business

During the first half of 2019, CNS did not provide the lead underwriter service for the firms underwriting of the Initial Public Offering "IPO" but CNS was a co-underwriter for 1 IPO out of 9 IPOs listed in the SET and the mai. In addition, CNS was engaged to act as the lead arranger of 8 corporate debentures (CD).

Fixed Income Trading Business

CNS focuses to be a leading securities company who provide full service of fixed income trading business for retail and institutional client including offer to sell quality debt securities suitable to clients' need. CNS will analyze clients' suitability to ensure that the offered debt securities is proper, and clients understand the transaction and related risk.

Industry Condition

Thai Bond market in total grew with total market value of Thai bond market for the six-months period ended June 30, 2019 was Baht 13,171,611 million, increased by 5% from the end of last year. The government bond remained the majority at 72% of total outstanding value. While the long-term corporate bond outstanding value was Baht 3,241,004 million, increased by 7% or Baht 208,283 million from the outstanding balance as at the end of last year.

Market share of Fixed Income Trading Business

CNS focuses on selling quality debt securities with proper interest rate relating to risk and good financial status to maintain CNS's market share among leading securities companies in the debt securities market, under the volatile market and the entry of new competitors.

Corporate Debenture

CNS's trading volume of corporate debentures for the six-months period ended June 30, 2019 was Baht 2,432 million, increasing from Baht 1,757 million for the same period of 2018, because CNS focused on fixed income trading activities in secondary market and activities in secondary market also increased.

However, when compared to other companies in the securities sector, CNS's market share for the six-months period ended June 30, 2019 was 3.82%, ranking at no. 6th, increasing from 2.82% in 2018 with was ranking at no. 9th.

Corporate Debenture	For the 6-month period end June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)	Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)
Trading Volume (million Baht)	2,432	3,141	7,590
Ranking	6 th	9 th	4 th
Market Share among securities companies (%)	3.82	2.82	5.13

Source: The Thai Bond Market Association

Bill of Exchange

CNS's trading volume of bill of exchanges for the six-months period ended June 30, 2019 was Baht 9,051 million, decreasing from Baht 13,977 million comparing to the same period in 2018, aligning with the market recession from the default of private debt securities during 2017-2018 which affected the confidence of client focusing in investing in bill of exchanges.

However, when compared to other companies in the securities sector, CNS's market share for the six-months period ended June 30, 2019 was 15.03%, ranking at no. 4th, decreasing from 19.70% in 2018 possibly due to the default of private companies' debt securities during 2017-2018 which affected the clients' confidence, cause the customers' investment slowed down.

Bill of Exchange	For the 6-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal Year 2018 (Jan 1, 2018- Dec 31, 2018)	Fiscal Year 2017 (Jan 1, 2017- Dec 31, 2017)
Trading Volume (million Baht)	9,051	25,948	38,823
Ranking	4 th	2 nd	1 st
Market Share among securities companies (%)	15.03	19.70	27.22

Source: The Thai Bond Market Association

Securities Borrowing and Lending Business

For the period of 6 months ended 30 June 2019, the volatile market in the Stock Exchange of Thailand turned individual investors to increasingly borrow securities for short selling. Some of them were the new face to SBL business which was the result of training occasionally arranged for young financial advisors of CNS. In addition, the institutional investors had a significant growth of stock borrowing demands to manage their proprietary trading account and other purposes. These led CNS gaining more volume of securities borrowing and lending and revenue of SBL business rapidly.

2.3 Funding, Risk Management and Capital Maintenance Policy

(1) Funding and Risk Management Policy

CNS has a funding policy concerning the global and domestic financial conditions, risk from interest rate, risk from foreign exchange, repayment period, business relationship as well as needs and uses of funds.

For such funding, CNS raise funds from both short-term and long-term borrowings to align with liquidity, financial conditions and financial costs. CNS has a policy to consider several sources of funds to create flexibility in funding and maintain business relationship.

In case CNS has borrowings in foreign currency, CNS has a risk management policy to fully hedge the borrowings in foreign currency.

For the first half of 2019, CNS considered demand for working capital to support various business from market competition status and trend to revise interest rate up, CNS borrowed short term fund from domestic financial institution with tenors of no longer than 1 year for liquidity management and business support.

In addition, during the first half of 2019, CNS had no new funding through borrowings in form of bill of exchanges but repaid the outstanding balance of bill of exchanges with 6 months tenor for amount of Baht 300 million which due during the period. Such outstanding balance was sold to an Asset Management Company. This method will be another source of fund for CNS in the future.

As at June 30, 2019, CNS had shareholders' equity of Baht 5,177 million, and total borrowings of Baht 1,450 million including borrowings from local financial institutions and promissory notes to support CNS's working capital and liquidity. CNS still has an available credit line from domestic financial institutions and a parent company in aboard.

(2) Creditor Policy

The Board of Directors has a policy to fairly and equitably treat all types of creditors. CNS also commits to create creditors' trustworthiness with the following creditor guidelines;

1. Strictly comply with conditions or requirements as agreed in the contract, including provisions and contingencies. In case CNS is not able to comply with any conditions or CNS encounters default situations, CNS shall inform creditors to consider and find reasonable solutions together with creditors.
2. Properly manage a funding structure to support its business at appropriate risk level and cost to maintain creditors' confidence on CNS.
3. Timely provide accurate and complete financial reports to creditors.

4. Conduct its business to create sustainable growth and maintain good relationship with creditors.

(3) Capital Maintenance Policy

CNS has a policy to maintain a minimum net liquid capital of Baht 25 million, together with the minimum net liquid capital ratio of 7% of general liabilities and collateral, whichever is higher regarding the SEC's requirements (Net Liquid Capital Rule: NCR).

As at June 30, 2019, CNS's net liquid capital was Baht 4,626.02 million with a net liquid capital ratio of 168.95% of general liabilities and collateral. This ratio was quite high when compared to the SEC's minimum requirements.

3. Risk Factors

3.1 Business Risk

(1) Risk from the SET's volatility

The global and domestic economic volatility may have an impact on fund flows and the investors' confidence on the investment in the SET. Therefore, the situation that the SET becomes highly volatile and discourages the investment may cause a decline in average daily turnover and may consequently have an impact on the revenues from the securities brokerage and derivatives brokerages businesses, CNS's main revenues, as well as the revenues from the investment banking business, especially on the financial advisory business and the underwriting business.

CNS has a policy to restructure its revenue sources by not heavily depending on any lines of businesses. In addition, CNS has an approach to diversify its revenue sources to several businesses to be suitable to various market circumstances such as the fixed income trading business, the securities borrowing and lending business and the selling agent business and etc, in order to offset the shortfall in the revenues from the securities brokerage and derivatives brokerages businesses as well as the investment banking business which are highly sensitive to the SET's volatility.

The SET's volatility may have an impact on CNS's investment valuation which are equity securities listed in the SET and TFEX. Accordingly, there may be loss on the investment revaluation to the market price.

CNS has the policy not to have a proprietary trading in both equity securities and future contracts, except the investment for the block trade business - single stock futures which will be fully hedged the holding position of single stock futures.

(2) Risk from high competition in the securities business

The SET's and the SEC's announcements on the liberalization of securities business licenses and the liberalization of brokerage fee which were effective since 2012, have a direct impact on high competitions among the securities industry from the entry of new securities companies and also the profitability of the whole securities companies.

CNS has been aware of such risk and prepared to enhance competitive advantages both in terms of financial positions and business strategies such as diversifying its revenue sources to several businesses, improving quality of research papers, enhancing workflow efficiency to cope with clients' changing needs, also providing information, knowledge and news through several channels including social media to easily access, as well as developing human resources' competencies and quality of service.

(3) Risk from changing technology

Changing technology may affect investors' behaviors and also business models such as the Initial Coin Offering (ICO), which may affect the change in fund raising patterns that are no longer being listed in the SET, and the Block Chain transactions, which may affect the brokerage business in the future. In addition, several securities companies initiated to launch their services using Artificial Intelligence (AI) or robots, as well as a variety of financial and investment applications that may affect the competitions or fee rates.

CNS has been studying the feasibility of developing and implementing the innovations and technologies for an efficient delivery of products and services to clients to catch up with other service providers in the industry.

(4) Risk from online trading services

According to advanced technology, investors are more likely to key transactions through online trading applications through a variety of tools which may cause the securities companies to have a risk from online trading service.

CNS has a high-amount investment in reliable security systems for online trading services to provide online trading applications and internal systems with security and international standards and to create clients' trust on its service.

(5) Risk from the financial advisory business

In providing the financial advisory service, CNS and its clients must be mutually responsible to disclose accurate, sufficient and detailed information to public for the following activities; the issuance and offer for sale of securities, the filing of listing applications, the acquisition of securities for business takeovers, as well as opinions provided to shareholders to support their decision making as required by the SEC or the SET such as connected transactions, the acquisition or sale of securities, tender offers and merger and acquisition and etc.

CNS is prudently selective with respect to its clients and studies clients' preliminary information before accepting the deal. In addition, CNS prudently determines the appropriate steps with respect to the due diligence process, performance evaluation and consideration of ability to pay and keeps its staff fully educated on regulations issued by the SEC and the SET, as well as rules and regulations regarding service providers and supervisors in order to ensure that the services provided are effective and in line with the relevant rules and regulations.

(6) Risk from underwriting and firm underwriting business

CNS may suffer losses from the investment in under-subscribed securities from the underwriting business. Such losses may arise from the firm underwriting as a result of an inappropriate quantity and share price or from the SET's volatility, as well as fluctuations in interest rate and foreign exchange rate; all of which could possibly undermine investors' interest in the newly listed companies.

To minimize such risk, CNS conducts preliminary studies to analyze and investigate the issuers' business profile, industry condition, company performance, future prospects and condition attached to the underwritten securities.

CNS also evaluates clients' or investors' interests in the quantity of the offered securities in order to support the decision in accepting the underwriting and firm underwriting transactions.

(7) Risk from human resources

The securities business is very sensitive toward the movement of specialist especially FAs. Therefore, CNS emphasizes on the selection of employee based on their competencies required for the position. Recruitment and selection will be conducted through joint consideration between lines of business and Human Resources Department so as to make the selection transparent and suitable for job placement.

CNS has a policy to determine compensation and benefits based on their roles and responsibilities across all employee levels as well as the SET's rules and sets the compensation and benefits to ensure that the employees receive appropriate, fair and competitive compensation and benefits comparable to other leading companies.

CNS has the Human Resources Development Policy, focusing on employees' trainings about financial and investment knowledge and service quality covering Code of Ethics, Compliance Manual for Employees, regulatory guidelines, risk management and the Anti Bribery and Corruption Policy as well as relevant laws to the Securities and Exchange Act, the Anti-Money Laundering Act and the Counter-terrorism and Proliferation of Weapon of Mass Destruction Financing Act.

CNS conducts personal background checks to prevent hiring of employees with unsatisfactory backgrounds that may cause risk exposures and damages to clients and CNS.

CNS has Succession Planning Policy for successor preparation to prevent the shortage of important position which cause of company operational risk as well as encouraging the talent employees who have capability and potential to be progressed in their career path.

(8) Risk from doubtful debts and bad debts

CNS has different receivables from various businesses; brokerage business, securities trading business, service providing and margin loan business. CNS, however, has the similar guidelines to manage risk from doubtful debts and bad debts as follows;

1. Know customers and customers due diligence (KYC/CDD); CNS's staff has to perform KYC/CDD to support the consideration of service and limit justified to customer's suitability test and objective. This will support customers to properly manage investment risk.
2. Periodically review clients' status and collateral; especially securities traded in the credit balance accounts that are collaterals for margin loan balances.
3. Provide excellence service by providing information of product being offered to clients.
4. Effective collection
5. Compliance; Employees strictly comply with the rules, regulations and related laws.

The above guidelines and the regular compliance can reduce the risk from doubtful debts and bad debts.

(9) Risk from legal issues

To engage in the securities business, CNS is regulated by the SEC and the SET. Accordingly, CNS has to comply with applicable laws, rules and regulations in relation to securities business (e.g. the Securities and Exchange Act B.E. 2535 and the Derivative Act B.E. 2546). Furthermore, CNS has to comply with other relevant laws, such as the Anti-Money Laundering Act B.E. 2542 and the Anti-Money Laundering Act and the Counter-terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 including other relevant rules and regulations.

Complying with the aforementioned laws, rules and regulations, particularly the amendments or additions thereof, may affect CNS's performances. Several cases may significantly lead to the increase in cost of compliance. Some cases may lead to an intense competition and more competitors.

3.2 Financial Risk

(1) Risk from funding

CNS has the fixed income trading business and also the margin loan business which helps increase clients' purchasing power and trading liquidity and consequently has an impact on the SET's liquidity. CNS, therefore, needs to seek sufficient and appropriate funds to serve its demand in working capital.

CNS has a funding policy concerning the domestic and global financial conditions, risk from interest rate and foreign exchange rate, a repayment period and business relationship as well as nature of the needs and uses of funds.

CNS has a funding policy from both short-term and long-term borrowings to align with liquidity, financial conditions and financial costs by considering several sources of funds to create funding flexibility and business relationship.

In case of the borrowings in foreign currency, CNS has a policy to fully hedge a risk from foreign exchange rate.

(2) Risk from interest rate

To operate the business, CNS applies its own capital and both short-term and long-term borrowings from several financial institutions. The changes in interest rate shall affect CNS's costs of fund. CNS, therefore, considers the proportions of short-term and long-term borrowings to align with its business operation.

CNS has a policy to invest in debt securities to support the fixed income trading business and manage CNS's liquidity which shall be affected by the changes in interest rate and there might be gain or loss on the investment revaluation to be a market value. CNS, consequently, sets a risk management policy on the investment in debt securities by defining the level of the credit ratings that CNS can invest in the debt securities as well as considering the issuers' financial positions, holding period and the investment limit.

3.3 Risk over Shareholders' Right and Investment

(1) Risk from majority shareholdings over than 75% of registered capital

As at the latest record date on March 19, 2019, Nomura Group was CNS's major shareholder, holding CNS's shares totaling 1,844,659,931 shares or 85.78% of CNS's registered and paid-up capital. Such shareholding proportion exceeded 3/4 of total shareholdings and made Nomura Group become a controlling person of CNS. Accordingly, Nomura Group may influence in decision making in every issue that requires the approval from shareholders' meetings and other shareholders may not be able to aggregate sufficient votes to balance and examine the issues which major shareholder proposes to the shareholders' meetings. In addition, in case other shareholders may see a takeover opportunity by other parties to add value to CNS, the takeover transaction may not incur without the consent of the major shareholder regarding such shareholding concentration.

Nonetheless, CNS's Board of Directors consists of internal management directors, representative directors from Nomura Group and independent directors. All directors are competent and could perform effectively. As at June 30, 2019, CNS has appointed 4 independent directors out of 10 directors which are in accordance with the SEC's requirement by having independent directors at 1/3 of total directors and not less than 3 directors, so independent directors could comment on the performance of the management independently. Accordingly, CNS's Board of Directors could perform their duties efficiently.

3 independent directors are appointed as Audit Committees to consider CNS's connected transactions or any transactions that may lead to conflict of interests to ensure that such transactions are reasonable and most beneficial to CNS.

(2) Risk and impact from low free float

Free float is beneficial to shareholders of listed companies and investors as to trading liquidity at proper prices. In addition, liquidity is important in maintaining a security's attractiveness and helping listed companies raise funds easily and successfully.

Regarding to the SET's notification Re: Maintaining the Status of Listed Companies in the Exchange, a listed company shall maintain its qualification with respect to share distribution so that its ordinary shares shall be held by minority shareholders in a number not less than 150 and such shareholders shall hold shares in aggregate not less than 15% of the paid-up capital. The SET shall consider the share distribution report that a listed company shall submit to the SET from the shareholder list used for a listed company's annual general meeting of shareholders (AGM).

In case a listed company has the number of minority ordinary shareholders and the aggregate number of minority ordinary shares held by them less than those stipulated above, the SET shall notify of such event in writing and a listed company shall proceed with the distribution of shareholdings to meet the full numbers stipulated above within 1 year from the end of the period which a listed company shall submit the share distribution report. If a listed company does not meet the free float requirement for 2 consecutive years or more, the SET will publicly release their names and initiate action to collect additional fees, above from normal annual fees, until the requirement is met. Additional fees are calculated based on the length of time in breach and the size of the shortfall in free float. In addition, this may have an impact on being listed company in the SET.

As at the latest record date on March 19, 2019, Nomura Group was CNS's major shareholder, holding CNS's shares totaling 1,844,659,931 shares or 85.78% of CNS's registered and paid-up capital. Minority shareholders held the remaining shares of 14.22%. Accordingly, there was a free float of only 14.22% traded in the market which may cause trading liquidity in the secondary market be diminished and may affect general investors' access into the normal trading. Therefore, minority shareholders may face with difficulty in selling the securities in the market at the amount, price and time required.

As CNS was unable to meet such free float requirement, CNS had to accrue the additional annual fees to the SET by approximately Baht 1.5 million for the six-months period ended June 30, 2019.

4. Assets used in operations

4.1 Major fixed assets used in operations

(a) Premises and equipment of the Company

Net book value of premises and equipment as at June 30, 2019, are as follows;

Unit: Thousand Baht

Type of assets	Condominium units	Office equipment	Furniture, fixtures and leasehold improvement	Motor vehicles	Work in progress	Total
Head office	-	42,997	5,836	15,228	-	64,061
CNS Convention Center	4,263	1,415	9,152	-	-	14,830
Bangna branch	-	256	1,242	-	-	1,498
Phra-Pinklao branch	-	104	-	-	-	104
Vibhavadi-Rangsit branch	-	258	-	-	-	258
Nakhonratchasima branch	-	71	173	-	-	244
Nakornsawan branch	-	67	227	-	-	294
Khon Kaen branch	-	61	1,431	-	-	1,492
Chiangrai branch	-	63	200	-	-	263
Phuket branch	-	64	182	-	-	246
Ayutthaya branch	-	69	288	-	-	357
Rayong branch	-	57	53	-	-	110
Chiangmai branch	-	366	681	-	-	1,047
Hat Yai branch	-	77	248	-	-	325
Udonthani branch	-	99	107	-	-	206
Bangkhae branch	-	76	120	-	-	196
Total	4,263	46,100	19,940	15,228	-	85,531

Note: All the above premises and equipment are owned by the Company and free from obligations.

Significant lease agreement

Type of assets	Area (m ²)	Leasing period	Rental and service fee per month (Baht)	Estimated residual leasing period	Commitment from lease agreement (Baht)
Office buildings					
- Head office	5,373	3 years	2,595,669	1 year 11 months 1 day	59,786,900
- Bangna branch	234	3 years	108,273	6 months	649,635
- Phra-Pinklao branch	277	2 years	179,449	1 year 3 months 15 days	2,778,571
- Vibhavadi-Rangsit branch	237	3 years	150,200	4 months	600,800
- Vibhavadi-Rangsit branch	237	3 years	167,750	3 years	6,039,000
- Khon Kaen branch	92	3 years	33,855	2 years 3 months	914,085
- Chiangmai branch	50	1 year	19,500	5 months	97,500
- Chiangmai branch	50	1 year	20,350	1 year	244,200
- Chiangmai branch	50	1 year	22,135	1 year	265,620
- Chiangmai branch	50	1 year	19,500	8 months	156,000
- Chiangmai branch	50	1 year	20,350	1 year	244,200
- Chiangmai branch	50	9 months	22,135	9 months	199,215
- Udonthani branch	55	2 years	41,175	1 year 8 months 15 days	843,423
- Ayutthaya branch	40	3 years	40,450	1 year 11 months	930,350
- Hat Yai branch	-	3 years	21,000	1 year 11 months	483,000
- Phuket branch	-	3 years	32,000	1 year 9 months 15 days	688,000
- Nakhonratchasima branch	50	3 years	18,000	1 year 10 months	396,000
- Chiangrai branch	-	3 years	16,000	1 year 11 months	368,000
- Rayong branch	16	3 years	6,000	2 years	144,000
- Nakornsawan branch	52	2 years	22,360	1 year	268,320
- Bangkhae branch	34	1 year	22,709	1 year	272,508
- Bangkhae branch	34	2 years	23,845	2 years	572,269
Vehicles		4 years	363,300	1 year 3 months	5,449,500
Vehicles		4 years	17,300	1 year 6 months	311,400
Vehicles		4 years	34,600	1 year 7 months	657,400
Vehicles		4 years	34,600	1 year 9 months	726,600
Vehicles		4 years	17,300	1 year 10 months 1 day	381,158
Vehicles		4 years	432,500	1 year 3 months	6,487,500
Vehicles		4 years	20,900	2 years 1 months 20 days	535,984
Copy machine		4 years	5,500	2 years 11 months 24 days	196,900
Copy machine		4 years	7,000	1 year 10 months	154,000

4.2 Policy on investment in subsidiaries and associates

The Company didn't have policy to investment in subsidiaries and associates.

4.3 Intangible asset

Net intangible asset as at June 30, 2019 were Baht 26.25 million which the whole amount was computer software.

5. Legal Disputes

On January 23, 2018, the Company received an order from a government agency ordering the Company to hold all collateral belonged to a certain credit balance client. On May 3, 2018, the Company received an order from the same government agency which released part of the share collateral. As at June 30, 2019, the credit balance receivable was Baht 106 million with the total collateral value of Baht 243 million approximately, which has still been frozen under the order. The Company has already filed a civil lawsuit to claim for the whole receivable amount from the client, while the client answered and counter-claimed that the Company was not entitled to file the case and asked for compensation. Nonetheless, the management, by the Company's external counsel's legal opinion, considered that the counter-claim is defensible and the possibility to get additional loss is remote. In this regard, the Court has ordered on May 27, 2019 the rejection of partial counter claim and the Client is appealing the said court order. Also, the Company has petitioned the court to release such collateral in accordance with the relevant laws. For prudence reason, the Company classified such account balance as substandard and set up the allowance for doubtful account for this case at Baht 106 million. The Company believed that the provision is sufficient and appropriate.

6. General Information and other important information

6.1 General Information

Company name:	Capital Nomura Securities Public Company Limited
Public Company Registration No.:	0107537000653
Type of Business:	Securities business which is the member No. 14 of the SET and the member of TFEX; mainly in securities brokerage business, derivatives brokerage business, financial advisory business, underwriting business, fixed income trading business, securities borrowing and lending business, selling agent business
Head Office Location:	25 Bangkok Insurance Building, 15 th -17 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
Registered Capital:	Baht 2,150,469,000
Paid-up Capital:	Baht 2,150,469,000
Type of Paid-up Shares:	Ordinary shares
Total Number of Paid-up Shares:	2,150,469,000 shares
Telephone:	+66(0) 2638 5000 +66(0) 2081 2000
Facsimile:	+66(0) 2081 2001
NOMURA DIRECT:	+66(0) 2638 5500
Website:	https://www.nomuradirect.com

CNS Convention Center

21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

Telephone: +66(0) 2638 5200 +66(0) 2081 2200

Branch**Bangkok Region**

Bangna Branch:	589/111 Central City Tower 1 Office, 19 th Floor, Bangna-Trad Road, Bangna, Bangkok 10260 Telephone: +66(0) 2725 8600 Facsimile: +66(0) 2745 6220 +66(0) 2745 6221
Phra-Pinklao Branch:	7/129 Central Plaza Pinklao Office Building, 9 th Floor, Room 902, Borommaratchachonnani Road, Arun-Amarin, Bangkok Noi, Bangkok 10700 Telephone: +66(0) 2638 5950 +66(0) 2081 2950 Facsimile: +66(0) 2884 9064 +66(0) 2884 9067
Vibhavadi-Rangsit Branch:	123 Suntowers Building B, 23 rd Floor, Unit B-2304, Vibhavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Telephone: +66(0) 2638 5920 +66(0) 2081 2920 Facsimile: +66(0) 2617 7800
Bangkhae Branch**:	1871 Victoria Gardens, 2 nd Floor, A205, Phetkasem Road, Laksong, Bangkhae, Bangkok 10160 Telephone: +66(0) 2638 5280 +66(0) 2081 2280 Facsimile: +66(0) 2421-6025

Northeastern Region

Khon Kaen Branch*:	109 Hugz Mall Tower, Room 207, 2 nd Floor, Sri Chant Road., Nai Muang, Muang, Khon Khaen 40000 Telephone: +66(0) 4300 9628 +66(0) 4300 9629 Facsimile: +66(0) 4300 9630
Udonthani Branch*:	88 UD Town, Room N203 THE NEXT ZONE, 2 nd Floor, Thongyai Road, Mak Khaeng, Muang, Udonthani 41000 Telephone: +66(0) 4213 6174 +66(0) 4213 6175 Facsimile: +66(0) 4213 6176
Nakhonratchasima Branch*:	1184 Hip Park Community Mall, Room 26 Zone C, 2 nd Floor, Mittraphap Road, Nai Muang, Muang, Nakhonratchasima 30000 Telephone: +66(0) 4424 8526 +66(0) 4424 8527 Facsimile: +66(0) 4424 8528

Remark:

* Nomura Learning Center

** Nomura Service Center

Northern Region

Chiangrai Branch*:	353/19 Moo 4, Rim Kok, Muang, Chiangrai 57100 Telephone: +66(0) 5371 1972 +66(0) 5371 1973 Facsimile: +66(0) 5371 1974
Chiangmai Branch*:	30 Punna Place, Room A5-A6, 1 st Floor, Nimmanhaemin Road, Soi 6, Suthep, Muang, Chiangmai 50200 Telephone: +66(0) 5321 0834 +66(0) 5321 0835 Facsimile: +66(0) 5321 0841

Central Region

Ayutthaya Branch*:	126 Ayutthaya City Park, Room GC-11, Moo 3, Asia Road, Klong Suan Plu, Ayutthaya, Ayutthaya 13000 Telephone: +66(0) 3580 1920 +66(0) 3580 1921 Facsimile: +66(0) 3580 1922
Nakornsawan Branch*:	26/3-4, Vitheethep Citywalk, Room 2F003-004, 2 nd Floor, Suchada Road, Pak Nam Pho, Muang, Nakornsawan 60000 Telephone: +66(0) 5622 3947 +66(0) 5622 3948 Facsimile: +66(0) 5622 3949

Southern Region

Phuket Branch*:	262/9 Yaowarat Road, Talat Yai, Muang, Phuket 83000 Telephone: +66(0) 7621 4422 +66(0) 7621 4423 Facsimile: +66(0) 7621 4424
Hat Yai Branch*:	2 Soi 19, Phetkasem Road, Hatyai, Hatyai, Songkhla 90110 Telephone: +66(0) 7422 1542 +66(0) 7422 1543 Facsimile: +66(0) 7422 1544

Eastern Region

Rayong Branch**:	351-351/1 TSK Park, Sukhumvit Road, Noenpra, Muang, Rayong 21000 Telephone: +66(0) 3802 0030 +66(0) 3802 0031 Facsimile: +66(0) 3802 0032

Remark:

* Nomura Learning Center

** Nomura Service Center

Other References

Share Registrar

Thailand Securities Depository Company Limited

The Stock Exchange of Thailand Building,
93 14th floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Telephone:	+66(0) 2009 9000
Facsimile:	+66(0) 2009 9992
SET Call Center:	+66(0) 2009 9999
E-Mail:	SETContactCenter@set.or.th
Website:	www.set.or.th/tsd

Auditors

EY Office Limited

By Miss Ratana Jala, Certified Public Accountant (Thailand) No. 3734

33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Road,
KlongToey, Bangkok 10110

Telephone:	+66 (0) 2264 0777	+66 (0) 2264 9090
Facsimile:	+66 (0) 2264 0789	
E-Mail:	EY.Thailand@th.ey.com	
Website:	www.ey.com	

6.2 Other Significant Information over Investors' Decision Making

CNS had no other significant information over investors' decision making.

Section 2: Management and Corporate Governance

7. Securities and Shareholder Information

7.1 Number of Registered and Paid-up Capital

(1) Registered and Paid-up Capital

CNS's registered capital was 2,150,469,000 ordinary shares listed in the SET at a par value of Baht 1, totaling Baht 2,150,469,000 which was fully paid up totaling Baht 2,150,469,000.

As at the latest record date on March 19, 2019, CNS's shares were held by foreigners in total of 86.08% of CNS's registered and paid-up capital.

(2) Other shares with different rights and conditions from ordinary shares

The Thai NVDR Company Limited, which is a subsidiary wholly owned by the SET, issues Non-Voting Depository Right ("NVDR") of CNS's shares.

As at September 30, 2019, there were the NVDR of CNS's shares totaling 5,298,284 units or 0.25% of CNS's paid-up capital, the increase of 382,284 units or 7.78% from the NVDR as at December 28, 2018 at 4,916,000 units or 0.23% of CNS's paid-up capital.

(Source: <https://www.set.or.th/set/nvdroutstanding.do>)

The NVDR holders shall receive the same financial rights and benefits as investing in CNS's ordinary shares but cannot exercise their voting rights in the shareholders' meeting, except the voting to delist CNS from the SET.

The amount of CNS's ordinary shares issued as NVDR may be changed and it is not under the control of CNS. The investors can check the amount of NVDR in the SET's website.

(<https://www.set.or.th/set/nvdroutstanding.do>)

7.2 Shareholders

(1) Major Shareholder List

(A) Top Shareholders

Top Shareholders listed on the Shareholder Register as at the latest record date of March 19, 2019 was as follows;

Major Shareholders' Name ¹	Shares Held (shares)	Holding Percentage (%)
1. Nomura Asia Investment (Singapore) Pte. Ltd. ²	1,844,659,931	85.78
2. Mr. Wachira Tayanaraporn	35,999,900	1.67
3. Mrs. Khuntong Udommahuntisuk	20,000,000	0.93
4. Mr. Mongkol Udompetcharaporn	17,688,000	0.82
5. Mr. Chatri Sophonpanich	14,193,000	0.66
6. Mr. Rabil Sophonpanich	13,563,000	0.63
Total shareholders with shareholding exceeding 0.5%	1,946,103,831	90.49
Total shareholders with shareholding not exceeding 0.5%	204,365,169	9.51
Grand Total	2,150,469,000	100.00

¹ Investors can check the latest top shareholders from CNS's website (www.nomuradirect.com)

² Nomura Asia Investment (Singapore) Pte. Ltd. was incorporated in Singapore, wholly owned (100%) by Nomura Holdings, Inc.^{3, 4} This information was based on the disclosure of the organizational structure of Nomura Holdings, Inc. in the annual information (SEC Filings: Form 20-F) of Nomura Holdings, Inc. as at March 31, 2019. (Source: <http://www.nomuraholdings.com/investor/library/sec/>)

³ The securities information of Nomura Holdings, Inc. as at March 31, 2019, which was the latest disclosure in the website of Nomura Holdings, Inc., was as follows;
(Source: <http://www.nomuraholdings.com/investor/shareholders>)

Listing	The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Nagoya and the Singapore stock exchange. The shares are also listed on the NYSE in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs). Each ADS represents one share of Common Stock.
Issued Shares	Common Stock: 3,493,562,601 shares (As at March 31, 2019)
Number of shareholders	371,292
Trading unit	100 shares

⁴ 10 top shareholders of Nomura Holdings, Inc. as at March 31, 2019⁵ which was the latest disclosure in the website of Nomura Holdings, Inc., was as follows;
(Source: <http://www.nomuraholdings.com/investor/shareholders/stock.html>)

Major Shareholders' Name	Shares Held (thousand shares)	Percentage to Issued Shares (%)
1. The Master Trust Bank of Japan, Ltd. (Trust Account)	180,391	5.16
2. Japan Trustee Services Bank, Ltd. (Trust Account)	160,284	4.58
3. Japan Trustee Services Bank, Ltd. (Trust Account 5)	68,101	1.94
4. NORTHERN TRUST CO.(AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	64,983	1.86
5. JP MORGAN CHASE BANK 385151	62,963	1.80
6. STATE STREET BANK WEST CLIENT-TREATY 505234	54,126	1.54
7. Japan Trustee Services Bank, Ltd. (Trust Account 7)	46,435	1.32
8. NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	46,059	1.31
9. Japan Trustee Services Bank, Ltd. (Trust Account 1)	45,498	1.30
10. SSBTC CLIENT OMNIBUS ACCOUNT	42,902	1.22
Grand Total	771,742	22.03

⁵ As at March 31, 2019, Nomura Holdings, Inc. had 182,411 thousand shares of treasury stock which was not included in the above top shareholder list.
(Source: <http://www.nomuraholdings.com/investor/shareholders/stock.html>)

(B) Major Shareholders' Influence over Management Policies or Significant Business Operation

As at the latest record date on March 19, 2019, Nomura Group was CNS's major shareholder, holding CNS's shares totaling 1,844,659,931 shares or 85.78% of CNS's registered and paid-up capital, under the shareholding by Nomura Asia Investment (Singapore) Pte. Ltd.

As at June 30, 2019, 4 management representatives were appointed as CNS's directors as follows;

Director Name	Position	Type of Management
1. Mr. Katsuya Imanishi	President	Executive Director
2. Mr. Shinya Yokoyama	Executive Director	Executive Director
3. Mr. Yuji Hibino	Director	Non-Executive Director
4. Mr. Philip Wing Lun Chow	Director	Non-Executive Director

(2) Doing Business as a Holding Company

CNS is not a holding company.

(3) Agreements between Major Shareholders

CNS had no agreements between major shareholders over the company's issuance and offer for sale of securities or management and significant impact to business operation.

7.3 Other Securities**(1) Convertible Securities**

CNS did not issue any convertible securities.

(2) Debt Securities

As at June 30, 2019, CNS did not issue any debt securities.

7.4 Dividend Policy

CNS has a dividend policy at least 60% of its net profit on an annual basis, except for cases when CNS needs more funds for business expansion or other significant activities. However, CNS's dividend payment is subject to the resolutions of shareholders' meeting.

CNS has no subsidiaries; therefore, there is no dividend policy of subsidiaries.

Historical data of dividend payments over the previous 5 fiscal years

Dividend payment for Fiscal Year	Fiscal Year 2018 (Jan 2018 - Dec 2018)	Fiscal Year 2017 (Jan 2017 - Dec 2017)	Fiscal Year 2016 (Jan 2016 - Dec 2016)	Fiscal Year 2015 (Jan 2015 - Dec 2015)	Fiscal Year 2014 (Jan 2014 - Dec 2014)
Dividend payment per share (Baht)	0.078	0.21	0.18	0.18	0.18
Dividend announcement (million Baht)	167.74	451.60	387.08	387.08	387.08
Net profit (million Baht)	177.52	475.44	412.18	415.96	428.75
Dividend payout ratio (%)	94.49	94.99	93.91	93.06	90.28

8. Management Structure

8.1 Board of Directors

As at June 30, 2019, for the effectiveness of the Board of Directors' performance, CNS had 10 board members consisting of 4 Executive Directors, 2 Non-Executive Directors and 4 Independent Directors, as follows;

Director Name	Position	Type of Director
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Executive Director
2. Mr. Katsuya Imanishi	President	Executive Director
3. Mr. Shinya Yokoyama	Executive Director	Executive Director
4. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director
5. Mr. Yuji Hibino	Director	Non-Executive Director
6. Mr. Philip Wing Lun Chow	Director	Non-Executive Director
7. Associate Professor Dr. Danuja Kunpanitchakit ¹	Chairperson of the Audit Committee and Independent Director	Independent Director
8. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Independent Director
9. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Independent Director
10. Dr. Prasit Kanchanasakdichai	Independent Director	Independent Director

Miss Kridsana Kulpanyalert was the secretary of the Board of Directors.

Remark:

¹The Board of Directors' Meeting No. 3/2562 held on March 15, 2019 resolved to elect Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Independent Director, as a replacement director of Mr. Nimit Wongjariyakul whom resigned from the position of Director and Executive Director with effect on March 7, 2019. Associate Professor Dr. Danuja Kunpanitchakit was approved by the SEC on April 4, 2019 and CNS registered the change in director with the Ministry of Commerce on April 5, 2019. Moreover, the Board of Directors' Meeting No. 4/2562 held on April 26, 2019 resolved to elect Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Audit Committee and the Board of Audit Committee passed unanimously agreed to appoint Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Chairperson of the Audit Committee.

As a result, CNS had 10 board members since April 26, 2019.

Shareholding in CNS of the directors and their spouse and underage children

Director Name	Position	Shares Held (shares)		
		As at December 31, 2018	As at June 30, 2019	Change
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
2. Mr. Katsuya Imanishi	President	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
3. Mr. Shinya Yokoyama	Executive Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
4. Mrs. Chrisana Sae-Leiw	Executive Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
5. Mr. Yuji Hibino	Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
6. Mr. Philip Wing Lun Chow	Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
7. Associate Professor Dr. Danuja Kunpanitchakit	Chairperson of the Audit Committee and Independent Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
8. Col. Ruangsub Kovindha	Audit Committee and Independent Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-

Shareholding in CNS of the directors and their spouse and underage children (Continued)

Director Name	Position	Shares Held (shares)		
		As at December 31, 2018	As at June 30, 2019	Change
9. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
10. Dr. Prasit Kanchanasakdichai	Independent Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
Grand Total		-	-	-

A Number of the Board of Directors' Meetings and the Attendance by Individual Members in the six-months period ended June 30, 2019

Director Name	Position	Number of Meetings/ Attendance	%
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	6/6	100
2. Mr. Katsuya Imanishi	President	6/6	100
3. Mr. Nimit Wongjariyakul	Executive Director	2/2	100
4. Mr. Shinya Yokoyama	Executive Director	6/6	100
5. Mrs. Chrisana Sae-Leiw	Executive Director	6/6	100
6. Mr. Yuji Hibino ¹	Director	6/5	83
7. Mr. Philip Wing Lun Chow	Director	6/6	100
8. Mrs. Wattanee Phanachet	Chairperson of the Audit Committee and Independent Director	3/3	100
9. Associate Professor Dr. Danuja Kunpanitchakit	Chairperson of the Audit Committee and Independent Director	3/3	100
10. Col. Ruangsub Kovindha	Audit Committee and Independent Director	6/6	100
11. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	6/6	100
12. Dr. Prasit Kanchanasakdichai ²	Independent Director	6/5	83

¹ Mr. Yuji Hibino had an urgent engagement, so he could not attend the Board of Directors' Meeting No. 2/2562.

² Dr. Prasit Kanchanasakdichai had an urgent engagement so he could not attend the Board of Directors' Meeting No. 3/2562.

8.2 Management

As at June 30, 2019, CNS had 10 members of Management according to the SEC's notification as follows;

Director Name	Position	Type of Management
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Executive Director
2. Mr. Katsuya Imanishi	President	Executive Director
3. Mr. Shinya Yokoyama ¹	Executive Director	Executive Director and the person taking the highest responsibility in finance and accounting
4. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director
5. Mr. Somchai Thongchai	Managing Director – International Investment Banking Division	Executive Officer
6. Mr. Natthapon Lohachitpitak	Chief Information Officer	Executive Officer
7. Mrs. Krittika Tharamart	Director of Retail Sales Division 2	Executive Officer
8. Miss Kridsana Kulpanyalert ¹	Division Head of Finance Division	Executive Officer and the person supervising accounting
9. Mr. Toshihisa Shimoda ²	Division Head of Investment Banking Division / Department Head- Corporate Planning and Business Development Department	Executive Officer
10. Mr. Somchai Wongkittikraiwan	YTFA Division Head	Executive Officer

¹ The Board of Executive Directors Meeting No. 17/2561 on October 10, 2018 resolved to appoint Mr. Shinya Yokoyama to be Chief Finance Officer and Miss Kridsana Kulpanyalert as Chief Accountant.

² Mr. Toshihisa Shimoda resigned from CNS's employee, effective upon September 30, 2019.

Shareholding in CNS of the management and their spouse and underage children

Director Name	Position	Shares Held (shares)		
		As at December 31, 2018	As at June 30, 2019	Change
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
2. Mr. Katsuya Imanishi	President	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
3. Mr. Shinya Yokoyama	Executive Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
4. Mrs. Chrisana Sae-Leiw	Executive Director	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
5. Mr. Somchai Thongchai	Managing Director – International Investment Banking Division	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
6. Mr. Natthapon Lohachitpitak	Chief Information Officer	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-

**Shareholding in CNS of the management and their spouse and underage children
(Continued)**

Director Name	Position	Shares Held (shares)		
		As at December 31, 2018	As at June 30, 2019	Change
7. Mrs. Krittika Tharamart	Director of Retail Sales Division 2	800,000	800,000	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	800,000	800,000	-
8. Miss Kridsana Kulpanyalert	Division Head of Finance Division	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
9. Mr. Toshihisa Shimoda	Division Head of Investment Banking Division/ Department Head-Corporate Planning and Business Development Department	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
10. Mr. Somchai Wongkittikraiwan	YTFA Division Head	-	-	-
	- spouse	-	-	-
	- underage children	-	-	-
	Total	-	-	-
Grand Total		800,000	800,000	-

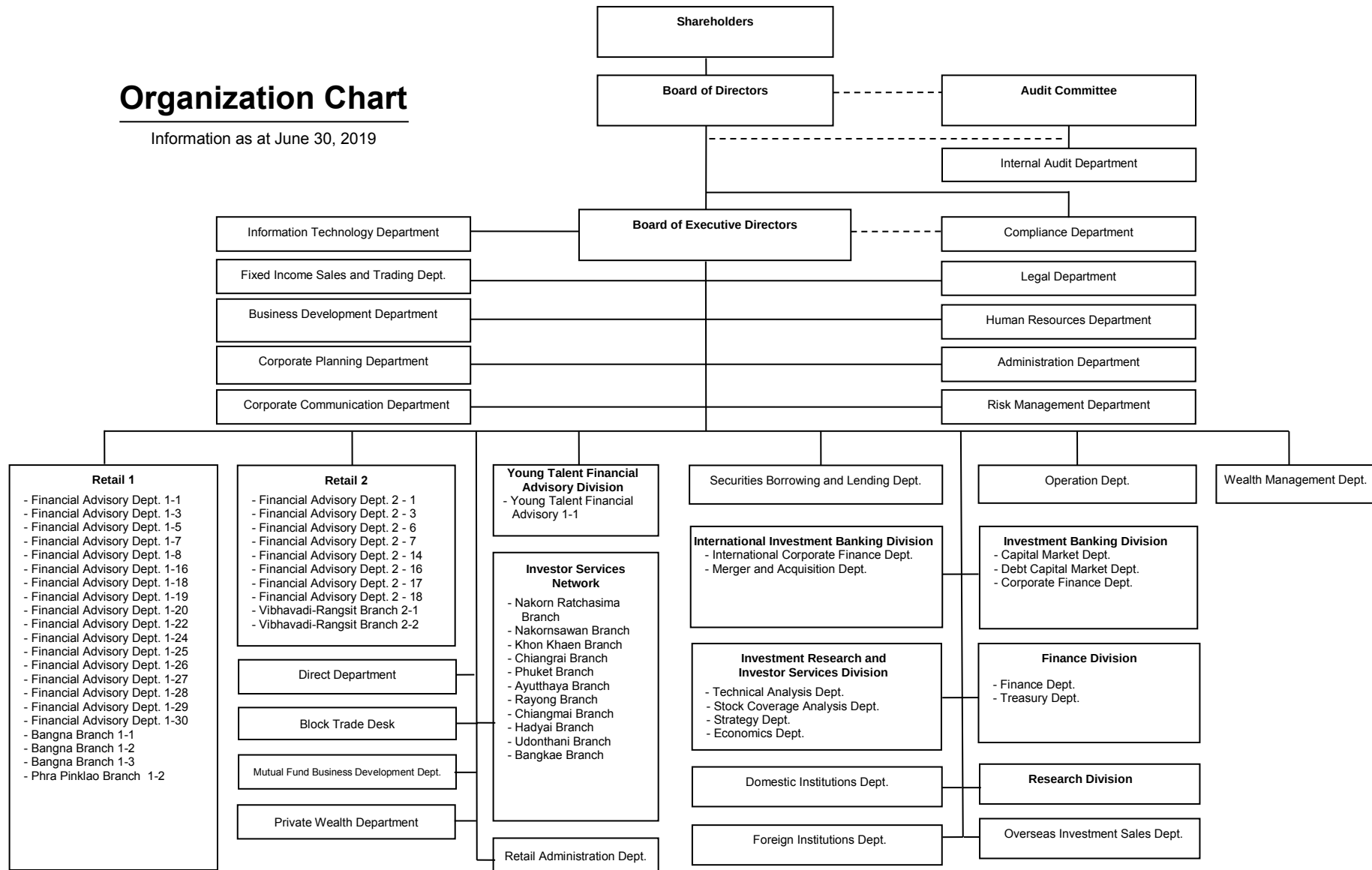
(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Organization Chart

Information as at June 30, 2019



8.3 Company Secretary and the person assigned to take direct responsibility for supervising accounting

- **Company Secretary**

The Board of Directors resolved to appoint Miss Kridsana Kulpanyalert, Division Head of Finance Division, as CNS's Company Secretary since March 22, 2013, having the qualifications, roles and responsibilities as disclosed in the Attachment 1 with the education background and training experiences in performing her duties of the Company Secretary as follows;

- **Education Background**

- ➡ Master of Business Administration, Thammasat University
- ➡ Bachelor of Accounting, Thammasat University

- **Training Experience**

- ➡ Company Secretary Program (CSP), 2015, Thai Institute of Directors Association (IOD)
- ➡ Company Reporting Program (CSP), 2015, Thai Institute of Directors Association (IOD)
- ➡ Effective Minute Taking Program (EMT), 2015, Thai Institute of Directors Association (IOD)
- ➡ Board Reporting Program (BRP), 2015, Thai Institute of Directors Association (IOD)

- **The person supervising accounting**

The Board of Directors resolved to appoint Miss Kridsana Kulpanyalert, Division Head of Finance Division, as CNS's Chief Accountant since October 10, 2018, having the qualifications, roles and responsibilities as disclosed in the Attachment 1.

8.4 Directors' and Management's Remuneration

(1) Monetary Remuneration

(A) Directors' Remuneration

The Board of Directors has a policy to propose the Shareholders' Meeting the appropriate and reasonable rate of directors' and Audit Committee's remuneration to align with the below factors.

1. Duties and responsibilities of each director
2. Director's and Audit Committee's remuneration rate paid by other companies in the same industry
3. Director's and Audit Committee's remuneration rate paid by other listed companies
4. Other related factors

CNS considers the director's annual remuneration following to the resolution of the Annual General Meeting of Shareholders as follows;

1. Director's annual remuneration

Considered from the performance of the previous, calculated proportionately to the term of annual remuneration.

2. Meeting allowance for the year

Paid to each Independent Director attending the board meetings.

3. Audit Committee's annual remuneration

Calculated proportionately to the term of annual remuneration

Remark: CNS has no other benefits for Non-Executive Directors.

CNS has the directors' remunerations for the six-months period ended June 30, 2019 following to the resolution of the Annual General Meeting of Shareholders No. 1/2562 held on April 26, 2019 totaling Baht 3,441,781 with the following details;

1. Director's annual remuneration considered from the performance of the year ended December 31, 2018 (the previous year) were calculated proportionately to the term of annual remuneration.
 1. Chairman of the Board of Directors 250,000 Baht annually
 2. Each Executive Director 220,000 Baht annually
 3. Each Independent Director 260,000 Baht annually
 4. Each other Non-Executive Director 220,000 Baht annually
2. Meeting allowance for each Independent Director attending the board meetings for the year ended December 31, 2019 were paid at the rate of Baht 20,000 per meeting.
3. Audit Committee's annual remuneration for the year ended December 31, 2019 were calculated proportionately to the term of annual remuneration as below.
 1. Chairperson of the Audit Committee 320,000 Baht annually
 2. Each other member of the Audit Committee 260,000 Baht annually

Director Name	Position	Directors' Remuneration (Baht)			
		Director's annual remuneration	Meeting Allowance	Audit Committee's annual remuneration	Total
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	250,000	-	-	250,000
2. Mr. Katsuya Imanishi	President	220,000	-	-	220,000
3. Mr. Nimit Wongjariyakul ¹	Executive Director	220,000	-	-	220,000
4. Mr. Shinya Yokoyama	Executive Director	220,000	-	-	220,000
5. Mrs. Chrisana Sae-Leiw	Executive Director	220,000	-	-	220,000
6. Mr. Shinichi Mizuno ²	Director	29,534	-	-	29,534
7. Mr. Philip Wing Lun Chow	Director	220,000	-	-	220,000
8. Mr. Yuji Hibino ³	Director	142,247	-	-	142,247
9. Mrs. Wattanee Phanachet ⁴	Chairperson of the Audit Committee and Independent Director	260,000	60,000	101,699	421,699
10. Associate Professor Dr. Danuja Kunpanitchakit ⁵	Chairperson of the Audit Committee and Independent Director	-	60,000	58,301	118,301
11. Col. Ruangsub Kovindha	Audit Committee and Independent Director	260,000	120,000	130,000	510,000
12. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	260,000	120,000	130,000	510,000
13. Dr. Prasit Kanchanasakdichai	Independent Director	260,000	100,000	-	360,000
Total		2,561,781	460,000	420,000	3,441,781

Remark: CNS had no other benefits for Non-Executive Directors.

- ¹ Mr. Nimit Wongjariyakul resigned from the position of director, executive director and authorized director signing on behalf of CNS with effect from March 7, 2019.
- ² The Board of Directors' Meeting No. 14/2560 held on December 15, 2017 resolved to elect Mr. Shinichi Mizuno to be CNS's director, as a replacement director of Mr. Takashi Nishida who resigned from the position of CNS's director with effect from December 14, 2017. Mr. Shinichi Mizuno was approved by the SEC on January 25, 2018 and CNS submitted the registration of the change in director with the Ministry of Commerce on January 26, 2018. Mr. Shinichi Mizuno resigned from the position of director with effect from March 16, 2018.
- ³ The Board of Directors' Meeting No.4/2561 held on April 27, 2018 resolved to elect Mr. Yuji Hibino to be CNS's director, as a replacement director of Mr. Shinichi Mizuno who resigned from the position of director with effect from March 16, 2018. He was approved by the SEC on May 3, 2018 and CNS submitted the registration of the change in director with the Ministry of Commerce on May 10, 2018.
- ⁴ The Board of Directors' Meeting No. 3/2562 held on March 15, 2019 acknowledged the retirement of Mrs. Wattanee Phanachet, and she stated that she does not wish to be re-elected.
- ⁵ The Board of Directors' Meeting No. 3/2562 held on March 15, 2019 resolved to elect Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Independent Director, as a replacement director of Mr. Nimit Wongjariyakul whom resigned from the position of Director and Executive Director with effect on March 7, 2019. Associate Professor Dr. Danuja Kunpanitchakit was approved by the SEC on April 4, 2019 and CNS registered the change in director with the Ministry of Commerce on April 5, 2019. Moreover, the Board of Directors' Meeting No. 4/2562 held on April 26, 2019 resolved to elect Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Audit Committee and the Board of Audit Committee passed unanimously agreed to appoint Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Chairperson of the Audit Committee.

As a result, CNS had 10 board members since April 26, 2019.

(B) Management's Remuneration

Management's remuneration are remuneration of salary, bonus and other benefits paid to Executive Directors and Executive Officers based on their duties and responsibilities, performance, and CNS's performance of the previous year, in comparison with their peers' remuneration rate paid by other companies in the same industry, as well as other employees' benefit such as provident fund contributions, group insurance (life, accidental and medical insurance), staff loan, social security fund contributions and annual medical checkup and etc.

For the six-months period ended June 30, 2019, CNS paid management's remuneration in total amount of Baht 46,898,936 with the following detail;

Management's remuneration (Baht)	For the six-months period ended June 30, 2019 (Jan 1, 2019 – Jun 30, 2019)
Salary and Bonus	37,843,593
Provident fund contributions	2,096,165
Social security fund contributions and other benefits	6,959,178
Grand Total	46,898,936

Remark: The above remuneration was paid to 5 Executive Directors and 6 Executive Officers which inclusive of 1 resigned Executive Officer during the year.

(2) Other remuneration

Provident fund

CNS and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E 2530. CNS's employees and Thai Executive Directors are able to voluntarily join this program. The Fund is currently managed by TISCO Asset Management Limited. The payment of fund contributions upon a member termination will be in accordance with the fund rules.

Such provident fund consists of;

- **Member contribution** – the member is eligible to contribute at the rate of 5% or 7% or 10% or 15% of basic salary. Any changes of the contribution rate will be in accordance with the condition and method defined by the employer committee of the fund.
- **Employer contribution** – The employer contributes in compliance with the condition of the fund article but not exceeding 10% of basic salary.

For the six-months period ended June 30, 2019, CNS paid management's provident fund contributions in total amount of Baht 2.10 million.

8.5 Human Resources

(1) Total Headcount

As at June 30, 2019, CNS had 557 employees with the following details;

Line	Headcount	Total Headcount
Executive Directors		4
Business Lines		365
Brokerage Division		
Retail	241	
Direct Department	13	
Investor Services Network	38	
Block Trade Desk	3	
Mutual Fund Business Development Department	13	
Private Wealth Department	5	
Young Talent Financial Advisory Division	14	
International Investment Banking Division	6	
Investment Banking Division	12	
Research Division	2	
Fixed Income Sales and Trading Department	5	
Wealth Management Department	1	
Domestic Institutions Department	6	
Foreign Institutions Department	4	
Overseas Investment Sales Department	2	
Back Offices		188
Grand Total		557

(2) Labor disputes for the previous 3 years

CNS had no significant labor disputes during the previous 3 years.

(3) Employees' Remuneration

CNS has a policy to pay wages, compensation and fringe benefits to staffs in compliance with labor law with fairness and accuracy based on their duties and responsibilities, performance, and CNS's performance of the previous year, as well as other employees' benefit such as provident fund contributions, group insurance (life, accidental and medical insurance), staff loan, social security fund contributions and annual medical checkup and etc.

For the six-months period ended June 30, 2019, CNS paid employees' remuneration in total amount of Baht 344,820,474 with the following detail;

Employees' remuneration (Baht)	For the six-months period ended June 30, 2019 (Jan 1, 2019 – Jun 30, 2019)
Salary and Bonus	252,904,600
Provident fund contributions	12,868,154
Social security fund contributions and other benefits	79,047,720
Grand Total	344,820,474

(4) Employee Development Policy

CNS recognizes the importance of human resource development, which is a valuable asset to drive the organization to success and sustainable growth. CNS, therefore, has a policy to continually promote the employee development in both professional knowledge in various fields and general knowledge as well as a variety of skills. CNS focuses to develop all employees at all levels and lines appropriate for enhancing their potential in relation to their positions by providing training and seminars by experienced and competent internal and external speakers, such as legal knowledge, regulatory compliance, financial and accounting standards, consultative selling skills, securities analysis, information technology standards and ISO standard and etc. The development also includes management capabilities to empower all employees to efficiently and effectively respond to CNS's strategies and goals to support the future growth of CNS.

CNS develops all employees by providing core training courses so that employees can well perform in line with corporate culture such as new employee orientation, trainings of product and service knowledge, systems and applications. CNS also provides trainings to support employees to attain professional qualifications in the securities business such as Investment Consultant (IC), Investment Planner (IP) licenses and etc.

CNS has a variety of approaches to develop employees such as encouraging employees to gain their knowledge through several channels; CNS's intranet, Facebook Page: Nomura Direct, Line Official: @NomuraDirect, the experiences' video training, supervisors' coaching, on-the-job training, domestic and overseas company visit, knowledge sharing among colleagues as well as learning among management and staff.

For the six-months period ended June 30, 2019, CNS encouraged employees to attend trainings for their knowledge and skill development in total of 62 courses with 661 hours, with the

annual average employee training hour at approximately 1.10 hours per headcount. The total employee development costs were Baht 319,235. Detail of the employee development was as follows;

Type of training	Numbers of courses	Numbers of training hours
Internal training	37	357
External training	25	254
Total	62	611

9. Good Corporate Governance

CNS recognizes the importance of the Principles of Good Corporate Governance which shall boost its competitiveness, growth and long-term shareholder value, taking into account the interest of all stakeholders. These principles shall create an image of CNS viewed by all stakeholders.

Hence, The Board of Directors defines the written Good Corporate Governance Policy both in Thai and English, in line with Principles of Good Corporate Governance for listed companies and related guidelines defined by the SEC and the SET for not only building investor confidence and trust but also ensuring business integrity and creating long-term business value. In conducting its leadership roles and responsibilities, the board should strive for the following governance outcomes.

CNS discloses the Good Corporate Governance Policy on its intranet for employees and on its website (www.nomuradirect.com) for stakeholders under the menu “Company Profile > Investor Relations > About us”.

In the early of 2017, the SEC required listed companies to adopt “the Corporate Governance Code for listed companies 2017 (“CG Code”)” to replace “the Principles of Good Corporate Governance 2012 (“CG Principles”)” issued by the SET, with effect from 2018. An acknowledgement of the Board of Directors on the CG Code Principles is required to be recorded as a resolution in the minutes of the board meeting and to be disclosed in the Annual Report and the Annual Information (Form 56-1) for the year ended December 31, 2017 onwards. The Board of Directors, therefore, acknowledged the CG Code Principles and realized their role as governing body to create sustainable business value to CNS according to the Board of Directors’ meeting No. 11/2560 held on September 22, 2017.

However, in 2018 CNS reviewed and amended the CNS’s Good Corporate Governance Policy in compliance with the Corporate Governance Code for Listed Companies 2017: “CG Code” which focused on the board’s accountability and responsibility. On December 14, 2018, CNS’s Good Corporate Governance Policy 2019 was approved by the Board of Directors.

Breach of the SEC’s and the SET’s rules and regulations

CNS has a policy to comply with all applicable laws, rules and regulations. In the first half year of 2019, CNS had no breach of the SET’s and the SEC’s rules and regulations.

In 2019, was the sixth year that the SET had set up the project of Self-Regulatory Organization (SRO) among related parties. The SET evaluated that CNS had the monitoring system and could conduct compliance reviews in the very good level, resulting CNS obtained the evaluation in “A” level, similar to the previous 5 years (2014-2018) while the majority of the broker members got the evaluation in “B+” level.

(Source: The SET’s letter No. Kor Sor. 17/2562 Re: The evaluation result of compliance monitoring reviews in the Self-Regulatory Organization Project (SRO) for the year 2018, dated June 7, 2019)

Good Corporate Governance Capital Nomura Securities Public Company Limited ("the Company")

Introduction

The Company recognizes the importance of the Principles of Good Corporate Governance which shall boost the Company's competitiveness, growth and long-term shareholder value, taking into account the interest of all stakeholders. These principles shall create an image of the Company viewed by all stakeholders.

Hence, the Company's Board of Directors defines the written Good Corporate Governance Policy both in Thai and English, covering Principles of Good Corporate Governance for listed companies defined by the Securities Exchange Commission ("the SEC") for not only building investor confidence and trust but also ensuring business integrity and creating long-term business value. In conducting its leadership roles and responsibilities, the board should strive for the following governance outcomes as follows;

1. Competitiveness and performance with long-term perspective;
2. Ethical and responsible business;
3. Good corporate citizenship; and
4. Corporate resilience.

The Company's Board of Directors has considered and agreed with the principles as follows.

Principle 1: Establish clear leadership role and responsibilities of the board

Principle 2: Define objectives that promote sustainable value creation

Principle 3: Strengthen board effectiveness

Principle 4: Ensure effective CEO and people management

Principle 5: Nurture innovation and responsible business

Principle 6: Strengthen effective risk management and internal control

Principle 7: Ensure disclosure and financial integrity

Principle 8: Ensure engagement and communication with shareholders

The Company's Board of Directors has considered and agreed to adopt the Good Corporate Governance Policy to fit the Company's environment. The Board shall annually consider the CG report and review the policy at least once a year to ensure that it covers issues which can lead to the practice that directors, management and employees can follow and comply with for the Company's achievement.

The Board of Directors

November 2018

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

Principle 1.1

The board shall demonstrate a thorough understanding of its leadership role, assume its responsibilities in overseeing the company, and strengthen good governance, including:

- (1) defining objectives;
- (2) determining means to attain the objectives; and
- (3) monitoring, evaluating, and reporting on performance.

Principle 1.2

To achieve sustainable value creation, the board shall exercise its leadership role and pursue the following governance outcomes:

- (1) competitiveness and performance with long-term perspective;
- (2) ethical and responsible business;
- (3) good corporate citizenship; and
- (4) corporate resilience.

Principle 1.3

The board shall ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duties, and that the company operates in accordance with applicable law and standards.

Principle 1.4

The board shall demonstrate a thorough understanding of the division of board and management responsibilities. The board should clearly define the roles and responsibilities of management and monitor management's proper performance of its duties.

Guidelines

1. In evaluating the performance of the company, the board considers not only the company's financial results but also takes into account non-financial performance such as CGR by Thai IOD, Assessment Result of AGM by Thai Investors Association, etc.
2. The board assumes a leadership role in creating and driving a culture of compliance and ethical conduct throughout the company and leads by example.
3. The board ensures the creation of written policies and guidelines, such as a corporate governance policy, codes of ethics, and business conduct, applicable to all directors, executives, employees and staff of the company.
4. The board ensures effective implementation including regular communication of the company's policies and guidelines to all directors, executives, employees and staff. The board

ensures adequate mechanisms are in place for monitoring, reviewing and reporting compliance with the company's policies and guidelines.

5. In assessing whether directors and executives have performed their fiduciary duties with the required responsibility, due care and loyalty, reference should be made to the applicable law and standards, including those contained in the Securities and Exchange Act of Thailand 1992.
6. The board is responsible for the implementation of adequate systems and controls to ensure that the company complies with applicable law, regulations, standards and resolutions of the shareholders' meeting for specified matters, including material investment, related party transactions, acquisition/disposal of assets and dividend payment decisions.
7. The board clearly sets out the roles and responsibilities of the board and Board of Executive Directors. The board should annually review the policy.
8. The board is responsible and accountable for the overall affairs of the company but may delegate day-to-day management duties. The board provide written roles and responsibilities of Board of Executive Directors.

Principle 2: Define Objectives that Promote Sustainable Value Creation

Principle 2.1

The board defines objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.

Principle 2.2

The board should ensure that the company's annual and medium-term objectives, goals, strategies, and plans are consistent with the long-term objectives, while utilising innovation and technology effectively.

Guidelines

1. The board ensures that the company has clearly defined objectives that support the company's business model. The board shall ensure company-wide communication of the objectives, for instance, in the form of the company's vision and values, or principles and purposes.
2. When developing the business model for sustainable value creation, the board takes into consideration the following factors:
 - (1) the company's ecosystem, including changes to business conditions and opportunities, and the company's effective use of innovation and technology;
 - (2) customers and other stakeholders; and
 - (3) available resources and competitiveness of the company.
3. The company's values reflect characteristics of good corporate governance, such as accountability, integrity, transparency, and due consideration of social and environmental responsibilities.

4. The board promotes a good corporate governance culture and strives to have the company's objectives embedded in company-wide decision-making and conduct through effective communication and leading by example.
5. The board ensures that the company's annual and medium-term (for example, 3 - 5 years) objectives, goals, strategies, and plans correlate and align with the company's long-term objectives, while considering the business environment, opportunities, and the company's risk appetite. The board ensures that the company's medium-term objectives, goals, strategies, and plans are annually reviewed and updated as appropriate.
6. The board ensures that the company's strategies and plans take into account all relevant factors influencing the value chain, including the company's ecosystem, risks, resources, competitiveness, and stakeholders. The board considers that a mechanism for stakeholder engagement is in place to ensure the proper practices impact to the stakeholders.
7. When developing strategies and plans, the board promotes innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.
8. In considering the approval of the company's targets (financial and non-financial), the board ensures that they are suitable to the company's business profile, and they do not cause the company to engage in illegal or unethical conduct.
9. The board ensures effective communication of the company's objectives, goals, strategies, plans, and targets throughout the company.
10. The board shall ensure proper resource allocation and effective systems and controls and monitor the implementation of the company's strategies and plans.

Principle 3: Strengthen Board Effectiveness

Principle 3.1

The board is responsible for determining and reviewing the board structure, in terms of size, composition, and the proportion of independent directors so as to ensure its leadership role in achieving the company's objectives.

Principle 3.2

The board selects an appropriate person as the chairman and ensures that the board composition serves the best interest of the company, enabling the board to make its decisions as a result of exercising independent judgement on corporate affairs.

Principle 3.3

The board ensures that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

Principle 3.4

When proposing director remuneration to the shareholders' meeting for approval, the board considers whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.

Principle 3.5

The board ensures that all directors are properly accountable for their duties, responsibilities and (in-) actions, and allocates sufficient time to discharge their duties and responsibilities effectively.

Principle 3.6

The board conducts a formal annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board.

Principle 3.7

The board ensures that the board and each individual director understands their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board supports all directors in updating and refreshing their skills and knowledge necessary to carry out their roles on the board and board committees.

Principle 3.8

The board ensures that it can perform its duties effectively and has access to accurate, relevant and timely information. The board should appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.

Guidelines

1. The board establishes a skills matrix to ensure that the board consists of directors with appropriate and the necessary qualifications, knowledge, skills, experience, character traits, with an appropriate gender and age balance and diversity to achieve the objectives of the company and stakeholder interests. At least one of the non-executive directors should be experienced and competent in the company's main industry.
2. The board determines the proper number of directors to function effectively. It must comprise at least 5 directors and should not be more than 12 directors.
3. The number and qualifications of the independent non-executive directors shall reflect applicable legal requirements. The board shall ensure that the independent directors and the entire board can fulfil its role and responsibilities efficiently and in the best interest of the company while exercising objective and independent judgement.

4. The board explicitly discloses in the company's annual report and on the website its diversity policies and details relating to directors, including directors' age, gender, qualifications, experience, shareholding percentage, years of service as director, and director position in other listed companies.
5. The chairman of the board is an Executive Director and all agendas is to be reviewed by all independent directors.
6. The chairman is responsible for leading the board. The chairman's duties should at least cover the following matters:
 - (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the company's objectives.
 - (2) Ensure that all directors contribute to the company's ethical culture and good corporate governance.
 - (3) Set the board meeting agenda by discussing with the Board of Executive Directors which important matters should be included important matters should be included.
 - (4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the company.
 - (5) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.
7. The board shall appoint relevant committees to review specific matters, to screen information, and to recommend action for board approval; however, the board remains accountable for all decisions and actions.
8. The board discloses the roles and responsibilities of the board and the committees, the number of meetings and the number of directors participating in meetings in the previous year, board and committee performance.
9. The Board of Executive Directors will gather all information and propose to the board to consider to nominate the qualified candidates to the shareholders' meeting. The board will perform the function of a nomination committee. Upon proposal to and approval by the board of a candidate, the candidate is presented to the shareholders' meeting for election and appointment as a director. Shareholders should receive adequate prior notice and sufficient information about candidates up for election at the shareholders' meeting.
10. The remuneration of the board shall be consistent with the company's strategies and long-term objectives, and reflect the experience, obligations, scope of work, accountability and responsibilities, and contribution of each director. Directors who have additional roles and responsibilities, such as a member of a committee, should be entitled to additional remuneration, comparable to industry practice.
11. Shareholders must approve the board remuneration structure including director's annual fee, meeting allowance and audit committee's annual fee while the company has no other fee at present. The board considers the appropriateness of each pay component. The remuneration should reflect the values that the company creates for shareholders taking a long-term perspective on company performance, and the pay level should not be too high so as to avoid the board excessively focusing on the company's short-term results.

12. The board shall disclose the directors' remuneration policy that reflects the duties and responsibilities of each individual, including the pay components and level received by each director. Due to the company has no subsidiaries, there's no concern regarding remuneration at the subsidiaries.
13. If the board appoints any person to consult with the remuneration committee, that consultant's information should be disclosed in the annual report, including information regarding independence and any conflicts of interest.
14. The board ensures that there is a mechanism to support directors in understanding their roles and responsibilities, and the time commitment expected from them.
15. The board sets and publicly discloses criteria limiting the number of director positions directors can hold simultaneously in other listed companies at 5 listed companies and should consider the effectiveness of directors who hold multiple board seats. The number of companies of which a person can simultaneously be a director is considered appropriate to the nature and types of businesses involved.
16. The board ensures reporting and public disclosure of directors assuming or holding positions at other companies.
17. The board ensures that the company's policies prohibit and prevent a director from creating a conflict of interest with the company, including by using the company's assets, information or opportunities for his or her own benefit, as a result of having or taking a director or management position, or having or creating vested interests, both directly and indirectly, in other companies. Information about a director's other directorships and positions shall be reported to shareholders, as appropriate.
18. Each director should attend not less than 75 percent of all board meetings in any whole financial reporting year.
19. The board's, committee's and individual directors' performance evaluation shall be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems. Assessment criteria and process for the board's, committees' and directors' performance shall be systematically set in advance.
20. The annual assessment of the performance of the board and committees as a whole and on an individual director level should be based on self-evaluation. The criteria, process, and results of the evaluation shall be disclosed in the annual report.
21. The board ensures that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the company's objectives, the nature of the business, and the company's operations.
22. The board ensures that directors regularly receive sufficient and continuous training and knowledge development.
23. The board shall have knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the company's business environment. The board should receive accurate, timely and clear information, including timely and regular updates.
24. The board shall disclose in the annual report training and knowledge development of the board.

25. The board's meeting schedule and agenda shall be set in advance and each director should receive sufficient notice to ensure attendance.
26. The board meeting is scheduled on a monthly basis.
27. The board allows each board member and management to propose the inclusion of relevant items on the meeting agenda.
28. Meeting documents should be sent to each director at least five business days before the meeting.
29. The board shall invite key executives to attend board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key executives and assist succession planning.
30. The board has access to accurate, relevant, timely and clear information required for their respective roles from the Board of Executive Directors, company secretary, or designated executive. If necessary to discharge their responsibilities, the board may seek independent professional advice at the company's expense.
31. Non-executive directors shall be able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to the company's Board of Directors.
32. The board should appoint a company secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements, preparing board meetings and other important documents, supporting board meetings, and coordinating the implementation of board resolutions. The board should disclose the qualifications and experience of the company secretary in its annual report and on the company's website.
33. The company secretary receives ongoing training and education relevant to performing his/her duties. The company secretary is also encouraged to enroll on a company secretary certified programme.

Principle 4: Ensure Effective CEO and People Management

Principle 4.1

The board ensures that a proper mechanism is in place for the nomination and development of the chief executive officer and key executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the company to achieve its objectives.

Principle 4.2

The board ensures that an appropriate compensation structure and performance evaluation are in place.

Principle 4.3

The board considers its responsibilities in the context of the company's shareholder structure and relationships, which may impact the management and operation of the company.

Principle 4.4

The board ensures the company has effective human resources management and development programmes to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.

Guidelines

1. The Company's structure has no CEO but has Board of Executive Directors performing the duty of CEO. The board performs role and responsibility of nomination committee to establish, the criteria and procedures for nomination and appointment of the Board of Executive Directors.
2. The board ensures that the Board of Executive Directors appoints knowledgeable, skilled, and experienced key executives.
3. To ensure business continuity, the board should ensure that development and succession plans for the Board of Executive Directors and key executives are in place.
4. The board shall promote continuous development and education of the Board of Executive Directors and key executives that is relevant to their roles.
5. The board disallows the Board of Executive Directors and key executives serving or wishing to serve as a director in other companies unless getting approval from the Board.
6. The board should understand the company's shareholder structure and relationships and consider their impact on the control over the company, including written and non-written family agreements, shareholder agreements, or group company policies.
7. The board ensures that the company's shareholder structure and relationships do not affect the board's exercise of its duties and responsibilities, including in relation to succession planning, in the best interest of the company.
8. The board oversees that information is properly disclosed when there are any conditions that have an impact on the control over the company.
9. The board should ensure that the company is properly staffed, and that human resources management aligns with the company's objectives and furthers sustainable value creation. All employees and staff must receive fair treatment.
10. The board should ensure that the company establishes a provident fund and require management to implement a training and development programme for employees and staff that promotes financial literacy, including on retirement savings, and educates employees and staff on life path investments that are suitable for their age and risk appetite.

Principle 5: Nurture Innovation and Responsible Business

Principle 5.1

The board prioritizes and promotes innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company.

Principle 5.2

The board encourages management to adopt responsible operations and incorporate them into the company's operations plan. This is to ensure that every department and function in the company adopts the company's objectives, goals, and strategies, applying high ethical, environmental and social standards, and contributes to the sustainable growth of the company.

Principle 5.3

The board ensures that management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.

Principle 5.4

The board establishes a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives.

Guidelines

1. The board prioritizes and promotes a corporate culture that embraces innovation and ensures management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring.
2. The board nurtures innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners.
3. The board encourages management to ensure that the company's operations reflect the company-wide implementation of high ethical, environmental and social standards and ensures that appropriate company-wide policies and procedures are implemented to further the company's objectives, goals and strategies in support of sustainable value creation. Policies and procedures for running the business fairly and respecting and adhering to stakeholders' rights should at least cover:
 - (1) Responsibilities to employees, staff, and workers at least by adhering to applicable law and standards and providing fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit (but can be over the legal limit where appropriate), health care, non-

discrimination and safety in the workplace, access to relevant training, potential skills development and advancement.

- (2) Responsibilities to customers at least by adhering to applicable law and standards, considering impact on health, safety of products and services, customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition, advertising and public relations should promote responsible consumption and must be done responsibly, avoiding taking advantage of or misleading customers, or causing misunderstanding about the products and services offered by the company.
 - (3) Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable law and standards, and expecting and supervising business partners to respect human rights, social and environmental responsibilities, and treat their employees, staff, and workers fairly including ensuring that business partners have implemented sustainable and values-based business policies and procedures.
 - (4) Responsibilities to the community by applying business knowledge and experience to develop and follow up on the success of projects that can concretely add value to the community while respecting community interests.
 - (5) Responsibilities to the environment by preventing, reducing and managing negative impact on the environment from all aspects of the company's operations, including in the context of raw material use, energy use, water use, renewable resources use, rehabilitating the diversity of biology, waste management, and greenhouse gas emissions.
 - (6) Fair competition by promoting ethical business conduct and not using anti-competitive practices to gain or protect a market position.
 - (7) Anti-fraud and corruption by ensuring that the company complies with applicable anti-fraud and corruption law and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public, including on its participation in private sector anti-corruption initiatives and certification programmes. The board should encourage the company to collaborate with other companies and business partners to establish and implement anti-fraud and corruption measures.
4. The board should have a thorough understanding of the company's resource needs to support its business model, and how available resources correlate.
 5. The board should have a thorough understanding of how the business model affects resources optimisation in support of ethical, responsible, and overall sustainable value creation.
 6. The board should ensure that management continuously reviews, adapts, and develops the company's use and optimisation of resources, considering internal and external factors to meet the company's objectives.
 7. The board should ensure that the company has an IT resource allocation policy that ensures adequate and optimal investment in and allocation of IT resources.

8. The board should ensure that the company's risk management includes IT risk management.
9. The board should ensure that IT security policies and procedures are in place. principal and substantial risks and should approve the risk appetite of the company.

Principle 6: Strengthen Effective Risk Management and Internal Control

Principle 6.1

The board ensures that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies, and comply with applicable law and standards.

Principle 6.2

The board establishes an audit committee that can act effectively and independently.

Principle 6.3

The board manages and monitors conflicts of interest that might occur between the company, management, directors, and shareholders. The board also prevents the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.

Principle 6.4

The board establishes a clear anti-corruption policy and practices (including communication and staff training) and strives to extend its anti-corruption efforts to stakeholders.

Principle 6.5

The board should establish a mechanism for handling complaints and whistleblowing.

Guidelines

1. The board is aware of and understands the nature and scope of the company's principal and substantial risks and should approve the risk appetite of the company.
2. The board ensures the establishment and implementation of risk management policies that are consistent with the company's goals, objectives, strategies and risk appetite. The risk management policies should support identification and prioritisation of early warning signals of material risks. The risk management policies are reviewed annually.
3. The board ensures that the company's principal and substantial risks are identified through consideration of internal and external factors.
4. The board ensures that the impact and likelihood of identified risks are assessed and prioritised, and that suitable risk mitigation strategies and plans are in place.

5. Considering the size and nature of the company, the board establishes a risk management committee and assign responsibility to the audit committee to assist the board in its oversight functions related to guidelines no. 1 – 4.
6. The board monitors the effectiveness of the company's risk management.
7. The board has to ensure and monitor that the company complies with relevant and applicable law and standards, whether domestic, international or foreign.
8. The Company has no subsidiaries and if it has any subsidiary, there will be assessment of the effectiveness of the company's internal controls and risk management while the board considers the results of internal controls and risk management at its subsidiaries and businesses in which it has a significant investment (between 20 percent to 50 percent of shares with voting rights).
9. The board establishes an audit committee that comprises at least three directors, all of whom must be independent directors, with required qualifications, and comply with applicable legal requirements, including those promulgated by the Securities and Exchange Commission and Stock Exchange of Thailand.
10. The board clearly sets out in writing the audit committee's duties and responsibilities, and include at least the following:
 - (1) Review the company's financial reports for accuracy and completeness.
 - (2) Review the company's internal control and internal audit systems to ensure that they are suitable and effective.
 - (3) Review the company's operations to ensure compliance with all relevant and applicable law and standards.
 - (4) Review internal auditor's independence and approve the appointment and termination of the head of the internal audit function or any other department responsible for internal auditing.
 - (5) Review, select, and recommend to the board for nomination and shareholder approval an independent party to be the company's external auditor, consider and recommend the auditor's remuneration, and hold a meeting with the external auditor without the presence of management at least once a year.
 - (6) Review related party transactions and other transactions that may create conflicts of interest, to ensure that they comply with applicable law, are reasonable, and carried out in the best interest of the company.
 - (7) Review the company's compliance with private sector's anti-corruption and certification programmes, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.
11. The board ensures that procedures are established that allow the audit committee to fulfil its duties and responsibilities, including by having access to management, employees and staff, professional advisers (such as external auditor), and information relevant and necessary to perform their duties.
12. The board ensures the designation of an internal auditor that is responsible for reviewing and improving the effectiveness of the risk management and internal control systems, and

reporting review results to the audit committee. The result of the internal audit review must be disclosed in the company's annual report.

13. The audit committee expresses its opinion on the adequacy of the company's internal control and risk management systems and discloses its opinion in the company's annual report.
14. The board establishes an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market-sensitive information. The board should monitor the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, executives, employees and staff, and professional advisers, such as legal or financial advisers.
15. The board ensures management and monitoring of conflict of interest situations and transactions. The board adopts an ethics and conflicts of interest policy consistent with applicable law and standards (including fiduciary duties) and establishes clear guidelines and procedures for disclosure and decision-making in conflict of interest situations. For example, any party who has a vested interest in a particular transaction, should disclose that interest, and not be involved in the decision-making.
16. The board sets requirements for all directors to report conflicts of interest in relation to any meeting agenda item at least before consideration of the matter at the meeting and record the reported conflict of interest in the meeting minutes. The board also ensures that all directors that have a conflict of interest in relation to an agenda item abstain from being present for discussion of or voting on that agenda item.
17. The board ensures company-wide awareness and implementation of the company's anti-corruption policy and practices, and compliance with applicable law and standards.
18. The board oversees that an effective mechanism is in place to record, track, resolve, and report complaints and feedback. The board ensures the availability of convenient complaint channels (more than one), and that stakeholders are made aware through the company's website or annual report of all channels available for complaints.
19. The board ensures that the company has a clear whistleblowing policy, including designated whistleblowing channels for reporting of suspected wrongdoing, such as through the company's website, e-mail, designated independent directors or the audit committee. The board ensures proper and effective handling of whistleblowing complaints, including the investigation, any remedial action, and reporting to the board.
20. The board ensures that whistleblowers are protected from retaliation as a result of their good faith whistleblowing activities.

Principle 7: Ensure Disclosure and Financial Integrity

Principle 7.1

The board ensures the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements.

Principle 7.2

The board monitors the company's financial liquidity and solvency.

Principle 7.3

The board ensures that risks to the financial position of the company or financial difficulties are promptly identified, managed and mitigated, and that the company's governance framework provides for the consideration of stakeholder rights.

Principle 7.4

The board ensures sustainability reporting, as appropriate.

Principle 7.5

The board ensures the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders (such as analysts and potential investors).

Principle 7.6

The board ensures the effective use by the company of information technology in disseminating information.

Guidelines

1. The board ensures that any person (including chief financial officer, accountant, internal auditor, company secretary, Investors Relation officer) involved in the preparation and disclosure of any information of the company has relevant knowledge, skills and experience, and that sufficient resources, including staffing, are allocated.
2. When approving information disclosures, the board considers all relevant factors, including for periodic financial disclosures:
 - (1) The evaluation results of the adequacy of the internal control system.
 - (2) The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels.
 - (3) The audit committee's opinions.
 - (4) Consistency with objectives, strategies and policies.
3. The board ensures that information disclosures (including financial statements, annual reports, and Form 56-1) reflect the company's financial status and performance accurately and fairly. The board promotes the inclusion of the Management Discussion and Analysis (MD&A) in quarterly financial reports in order to provide to investors more complete and accurate information about the company's true financial status, performance and circumstances.

4. For disclosures related to any individual director, that director ensures the accuracy and completeness of the information disclosed by the company, including of shareholders' information and any shareholders' agreement.
5. The board ensures that management regularly monitors, evaluates and reports on the company's financial status. The board and management ensure that any threats to the company's financial liquidity and solvency are promptly addressed and remedied.
6. The board ensures that it does not consciously approve any transactions or propose any transactions for shareholder approval which could negatively affect business continuity, financial liquidity, and solvency.
7. In the event of financial risk or difficulties, the board enhances monitoring of the affairs of the company, and duly consider the company's financial position and disclosure obligations.
8. The board ensures that the company has sound financial mitigation plans that consider stakeholder rights including creditor rights. The board monitors management's handling of financial risk or difficulties and seek regular reports.
9. The board ensures that any actions to improve the company's financial position are reasonable and made for a proper purpose.
10. The board considers and reports data on the company's compliance and ethical performance (including anti-corruption performance), its treatment of employees and other stakeholders (including fair treatment and respect for human rights), and social and environmental responsibilities, using a report framework that is proportionate to the company's size and complexity and meets domestic and international standards. The company can disclose this information in the annual report.
11. The board ensures that the company's sustainability reporting reflects material corporate practices that support sustainable value creation.
12. The board establishes a communication and disclosure policy to assist the company in meeting its disclosure obligations and to ensure that all information relevant and material to the company's shareholders, the market and third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels, while protecting the company's sensitive and confidential information. The board ensures company-wide communication and implementation of the company's communication and disclosure policy.
13. The board ensures the creation of an Investor Relations function responsible for regular, effective and fair communication with shareholders and external parties. The company's designated Investor Relations contact is suitable for the role and have a thorough understanding of the nature of the company's business, and its objectives and values.
14. The board ensures that management sets clear directions for and supports the Investor Relations function and clearly defines the roles and responsibilities of the Investor Relations function, so as to ensure effective communication between the company, the financial community and other stakeholders.
15. In addition to the company's mandatory periodic and non-periodic disclosure of information pursuant to applicable requirements, the board considers regularly disclosing relevant information in both Thai and English through other channels, such as the company's website.

Principle 8: Ensure Engagement and Communication with Shareholders

Principle 8.1

The board ensures that shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters.

Principle 8.2

The board ensures that the shareholders' meetings are held as scheduled, and conducted properly, with transparency and efficiency, and ensures inclusive and equitable treatment of all shareholders and their ability to exercise their rights.

Principle 8.3

The board ensures accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

Guidelines

1. The board ensures that significant corporate decisions are considered and/ or approved by the shareholders pursuant to applicable legal requirements. Matters that require shareholder approval should be included in the agenda for the shareholders' meeting and shareholders should be provided sufficient notice thereof.
2. The board ensures that the notice of the shareholders' meeting is accurate, complete, and sufficiently in advance for the shareholders to exercise their rights.
3. The board ensures that the company arranges for the notice of the shareholders' meeting and related papers to be sent to shareholders and posted on the company's website at least 28 days before the meeting.
4. The notice of the shareholders' meeting and related papers are fully translated into English and published at the same time as the Thai version.
5. The board sets the date, time, and place of the meeting by considering the interests of shareholders, such as allocating sufficient time for debate, and choosing a convenient location.
6. The board ensures that the company does not through its meeting attendance requirements or prerequisites prevent attendance by or places an undue burden on shareholders, including as a result of identification requirements that exceed applicable legal and regulatory requirements.
7. In the interest of transparency and accountability, the board promotes the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.
8. The chairman of the board is the chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing

opportunity to all shareholders who wish to share their opinions or ask questions related to the company.

9. To ensure the right of shareholders to participate in the company's decision-making process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors who are shareholder shall not be allowed to add items to the meeting agenda that have not been duly notified in advance.
10. All directors and relevant executives shall attend the meeting to answer questions from shareholders on company-related matters.
11. The attending shareholders shall be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of the meeting.
12. There shall not be any bundling of several items into the same resolution. For example, the appointment of each director shall be voted on and recorded as separate resolution.
13. The board shall promote the use of ballots for voting on resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "for", "against" and "abstain" votes. The voting results for each proposed resolution should be included in the minutes of the meeting.
14. The board shall ensure that the company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the company's website by the next business day.
15. The board shall ensure that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.
16. The board shall ensure that the company promptly prepares the minutes of the shareholders' meeting, including the following information:
 - (1) attendance of directors, executives, and the proportion of attending directors;
 - (2) voting and vote counting methods, meeting resolutions, and voting results ("for", "against", and "abstain") for each proposed resolution; and
 - (3) questions asked and answers provided during the meeting, including the identity of the persons asking and answering the questions.

Code of Ethics of Nomura Group

Capital Nomura Securities Public Company Limited

The Board of Directors of Nomura Holdings, Inc. (the “Company”) has adopted this Code of Ethics (the “Code”) to guide all Directors, Executive Officers, Senior Managing Directors, Corporate Auditors and employees (“Nomura People”) of Nomura Group.

1. Social Responsibilities

Nomura Group aims to enrich society with due regard to the integrity of the securities business for the purpose of promoting efficient money flow in the financial markets.

2. Advancement of Customers’ Interests

Nomura People must act in the best interests of their customers.

3. Compliance with Laws

Nomura People must understand how confidence in Nomura Group could be undermined by any misconduct and how hard it could be to restore it. Therefore, Nomura People must promote proper understanding and compliance with the letter and spirit of all applicable laws, rules and regulations, including those concerning prevention of insider trading, money laundering, bribery and tax evasion.

4. Corporate Opportunity

Nomura People owe a duty to Nomura Group to advance its legitimate interests whenever the opportunity arises. Nomura People are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position.

5. Conflicts of Interest

Nomura People should not take any actions that could have their private interests interfere in any way (or even appear to interfere) with the interests of Nomura Group. Neither Nomura People nor their family members should receive improper personal benefits as a result of their positions in Nomura Group, including loans, or guarantees of obligations, from Nomura Group.

6. Confidentiality

Nomura People must maintain the confidentiality of information entrusted to them by Nomura Group or its customers in the conduct of its business, except when disclosure is authorized or legally mandated.

7. Fair Dealing

- (a) Nomura People must respect fair business practices in jurisdictions where they operate and endeavor to deal fairly with Nomura Group's customers, suppliers, competitors and Nomura People. Nomura People should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.
- (b) Nomura Group must reject all contacts with criminal or unethical organizations involved in activities in violation of applicable laws.
- (c) Nomura People may give or accept from non-government employees gifts or entertainment in accordance with specified guidelines of the relevant company of Nomura Group.

In addition, Nomura People may not give gifts to or entertain government officials without specified approval by the relevant company of Nomura Group.

8. Protection and Proper Use of Corporate Assets

All Nomura Group assets should be used for legitimate purposes. Nomura People should protect Nomura Group's assets and ensure their efficient use.

9. Retention of Documents

Nomura People must prepare documents relating to the business or accounting of Nomura Group and retain such documents for specified periods in accordance with applicable laws and internal rules of the Company or the relevant company of Nomura Group.

In connection with litigation or examinations by any regulatory body, Nomura People shall not make false statements or intentionally conceal or destroy any relevant documents.

10. Environmental Issues

Nomura Group is committed to acting in an environmentally responsible manner and should therefore approach environmental issues positively.

11. Corporate Citizenship Activities

Nomura Group as a good corporate citizen is committed to the pursuit of activities of social benefit.

12. Respect for Human Rights

- (a) Nomura Group respects human rights and diversity, and values differences. Nomura group is committed to ensuring that anyone who interacts with Nomura Group is treated with respect at all times and in all circumstances. No person shall be subject to discriminatory practices or harassment for reasons including, but not limited to,

nationality, race, sex, gender identity, sexual orientation, creed, social status, or existence or nonexistence of disability.

- (b) Nomura Group is committed to providing equal employment opportunities and a sound working environment where Nomura people can, and do, perform at their best.

13. International Harmonization

Nomura People must respect the culture and customs of all the countries where they operate and strive to manage their activities in such a way as to consider the societies and economies of such countries.

14. Media Policy

If Nomura People externally publish information relating to Nomura Group business in publications, lectures and interviews, they must follow the guidelines promulgated by the relevant company of Nomura Group.

15. Personal Investments

If Nomura People buy or sell securities (including the stock of the Company) for their personal accounts, they must comply with all applicable securities laws and follow specified procedures in accordance with the guidelines promulgated by the Company or the relevant company of Nomura Group.

16. Reporting of Illegal or Unethical Conduct

- (a) If Nomura People become aware of any conduct, including accounting, and auditing matters, that they believe is illegal or unethical, they must promptly notify an appropriate contact specified in the guidelines promulgated by each of Nomura Group.
- (b) The contact above of Nomura People must take appropriate steps to investigate whether and how such misconduct occurred and, when necessary, to correct it and prevent its recurrence.

17. Protection against Retaliation

Nomura People are prohibited from retaliating against any individual who reports in good faith illegal or unethical conduct.

18. Code of Ethics for Financial Professionals

- (a) All Financial Professionals must, in addition to the foregoing:
 - (1) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

- (2) make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company and each of Nomura Group files with, or submits to, any applicable regulatory body and in other public communications;
 - (3) comply with all applicable generally accepted accounting principles, government laws, rules and regulations;
 - (4) promptly report violations of this section to an appropriate contact specified in the guidelines promulgated by the Company or the relevant company of Nomura Group, in cases they believe that such violations have occurred; and
 - (5) be accountable for their adherence to this section.
- (b) Financial Professionals are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant in the performance of an audit of the financial statements of any of Nomura Group for the purpose of rendering such financial statements materially misleading.
- (c) “Financial Professional” means any professional employee of Nomura Group in the area of finance, controllers, tax, treasury, risk management or investor relations and also includes the Group CEO, the Chief Financial Officer, the Chief Risk Officer and a chairman of the Disclosure Committee of the Company and all Division Heads, all Business Division Heads, all Business Line Heads, all Business Infrastructure Division Heads and Regional Heads of Nomura Group.

19. Amendments and Waivers

The Company shall disclose amendments to, and any waivers from, this Code of Ethics in accordance with applicable laws. For this reason, Nomura People shall promptly inform their senior management in the event they become aware of circumstances that may require an amendment or waiver under the Code so that the Company may comply in a timely fashion.

Whistleblowing Policy

Capital Nomura Securities Public Company Limited

Objective

1. To encourage all staff / clients / partners / third parties to comply with all applicable laws, rules, policies and regulations as well as enable them to report any activities they believe may be inconsistent with these requirements and standards information.
2. To be a safe channel for staff / clients / partners / third parties and they can be confidently accessed for advice regarding to the compliance of Anti-Bribery and Corruption Policy.

Scope of Whistleblowing

1. Questionable conduct of illegal activities including corruption and bribery.
2. Violation of the matters prescribed in the Company's Policies.
3. Business act in violation of the Company's internal rules or related rules and regulations of the regulators.
4. Questionable conduct regarding accounting or auditing matters.
5. Any other act deviating from social ethics or social justice.

Guideline

- The staff or clients or partners or third parties ("Whistleblower") can raise the abovementioned matter, which is deemed reliable attached with specific and sufficient information given for further investigation, by showing his/her identity or anonymously in writing through one of the following persons:

**Chairman of the Board of Directors and Chairman of the Board of Executive
Directors / President / Chairman of the Audit Committee /**

Head of Compliance Department / Head of Internal Audit Department /

Head of Human Resources Department / Head of Legal Department

Capital Nomura Securities Public Company Limited

Compliance Department

25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road,

Thungmahamek, Sathorn, Bangkok 10120

Telephone: 66 (0) 2081 2860-5, 2858

- The Company shall not perform any unfair treatment against any whistleblower. In case of staff, the Company will not change his/her position, duties and responsibilities or work place, or suspend, threat, harass, terminate the employment or create any other unfair treatment against such whistleblower. For the clients / partners / third parties, the Company will consider and investigate the matters with transparency by conducting fairly and equally to the stakeholders in order to be reliable and assured the fairness of investigation process.
- Any whistleblower who makes a report that is not done in good faith and/or which at a later time is verified as being of malicious intent, or makes an inaccurate report, in case of staff, shall be liable to disciplinary actions in accordance with the Rule of Employment. Clients / partners / third parties who make any damages to Company shall be prosecuted under the laws.
- The Company shall maintain the confidentiality of all information regarding the reported matter such as the name of the whistleblower or the contents of the reported matters, except when needed for additional information or requested by laws. However, the Company will notify the whistleblower prior to giving such to any party.
- The abovementioned person, who receives the whistleblowing, shall consider, fairly, impartially and in good faith, whether or not it is necessary to investigate the reported matter, and in principle, shall notify the whistleblower whether or not the investigation shall be made. However, in case of anonymous submission which makes it difficult to notify the whistleblower, the foregoing shall not be applied.
- In case that the matter is needed to investigate, the recipient shall report such to the Board of Executive Directors for further consideration and/or assigning the investigation team (if necessary) on case-by-case basis to ensure not including the accused in such team. Nevertheless, in case the accused is one of the Board of Executive Directors, the matter shall be reported to Audit Committee instead.
- The assigned investigation team shall notify the result to the whistleblower. However, in case of anonymous submission which makes it difficult to notify the whistleblower, the foregoing shall not be applied.
- In case the reported matter is confirmed to be the fact as a result of the investigation, the Company shall promptly take corrective and preventive measures, and if necessary, shall carry out the punishment on the relevant person or report to the relevant authorities.
- All information received from all whistleblowers and all related evidences/findings/results shall be kept as confidential records at the Company's secretary.

Risk Management Policy

Capital Nomura Securities Public Company Limited

Article 1 Purpose

- 1.1 The Policy of the Risk Management Committee (the “Policy”) shall provide for necessary matters with respect to the operation of the Risk Management Committee (the “Committee”) of Capital Nomura Securities Public Co., Ltd. (the “Company”), proposed to the Board of Directors (BoD) for approval by the Board of Executive Directors (BoED). The Committee is appointed by the Board of Executive Directors. This policy is a guidance for risk management to be aligned with company objectives with efficiency and effectiveness.
- 1.2 The Committee shall be operated, upon delegation from the Board of Executive Directors, for the purpose of deliberating on or determining important matters concerning enterprise risk management of the Company, based on strategic risk allocation and risk appetite, and thereby assuring the sound and effective management of the businesses.
- 1.3 The purpose of the Policy is to define the fundamental policy and control processes for the risk management of the Company and contribute to the maintenance of financial soundness and the heightening of enterprise value through the appropriate management of risks arising in the course of day-to-day business operations.
- 1.4 Risk management is very significant and necessary to protect and control the exposures which come from any uncertain situations which may affect to the Company’s objective. The succession of risk management is required all staffs with all level in the Company to corroborate in term of risk identification, risk analysis, risk investigation and risk assessment on impact and likelihood in a regular basis. Moreover, all staffs shall help together to make a suitability plan to protect and control risks which purposing to mitigate risk’s level and to avoid risk which a reason to lose or damage the Company with efficiency and effectiveness and to maintain the standard of operations which aiming to protect loss of Company’s reputation, Financial, Anti-Fraud and Corruption and to leverage value of the Company through the Risk Management.

Article 2 Constitution and Responsibility of the Committee

- 2.1 The Committee shall consist of the following members (the “Members”):

Executive Director	Chief Risk Officer (“CRO”)
Executive Director in charge of IT/Operation Division	Deputy Chief Risk Officer
Finance Department/Division Head	Member
Compliance Department Head	Member
Legal Department Head	Member
Risk Management Department Head	Member

The Committee can appoint additional member(s) or invite other person(s) with specific knowledge to contribute comments appropriately on other aspects relating to risk recommendations and risk treatment. The Members of the Committee might be replaced as appointed by the Board of Executive Directors. The Board of Executive Directors can also adjust member number as appropriate from time to time.

- 2.2 The Chief Risk Officer (“CRO”) is responsible for supervising Risk Management Committee and maintaining the effectiveness of the risk management independently from business units within the Company.
- 2.3 Risk Management Committee shall be responsible for the following tasks concerning risk management.
1. Establishing, enforcing, and reviewing risk management policies
 2. Establishing and Operating risk management processes
 3. Verifying the effectiveness of risk management methods
 4. Reviewing and considering the Risk Assessment results including RCSA and Fraud, Bribery and Corruption risk assessment
 5. Enhancing awareness of Operational risk management
 6. Providing education and training on risk mitigation
 7. Reporting to the Board of Executive Directors and Board of Directors
- 2.4 Any persons other than the Members may be present at a meeting of the Committee and deliver their opinions by the nomination of the Committee Chairman (as defined in Article 4).
- 2.5 Any members of the Audit Committee or Directors designated by the Board of Directors may be present at a meeting of the Committee and deliver their opinions.

Article 3 Convocation of Meetings

- 3.1 CRO shall convene a meeting of the Committee.
- 3.2 When CRO is unable so to act, one of the other Members shall convene a meeting in accordance with the predetermined order of priority.

Article 4 Chairman of Meetings

- 4.1 CRO shall act as a chairman of a meeting of the Committee (the “Committee Chairman”).
- 4.2 When CRO is unable so to act, one of the other Members shall act as the Committee Chairman in accordance with the order set forth in paragraph 2 of the preceding article.

Article 5 Holding of Meetings

- 5.1 An ordinary meeting shall be held in principle twice annually; provided that an extraordinary meeting of the Committee may be held whenever necessary.
- 5.2 If necessary, a meeting of the Committee may be held in two or more places by means of a conference call or similar methods.

Article 6 Agenda and Materials

- 6.1 The agenda of a meeting of the Committee and materials necessary for discussion shall be notified in advance to all persons to be present at the meeting; provided, however, that the foregoing shall not apply when there is a compelling reason.

Article 7 Resolutions

- 7.1 The resolution of a meeting of the Committee shall be adopted by an affirmative vote of a majority of the Members present which Members present shall constitute a majority of all Members.
- 7.2 The resolution set forth in the preceding paragraph shall not be adopted without the approval of one or more Representative Board of Executive Directors.
- 7.3 No Member who has a special interest in any matter to be resolved shall be entitled to vote on such matter.
- 7.4 The resolution set forth in paragraph 1 of this article may be adopted in writing or electronically.

Article 8 Reference Matters

- 8.1 The following matters shall be referred to meetings of the Committee.
 - 8.1.1 Important matters concerning market, legal, credit, operation or reputation risk management of the Company, which require a new risk management framework
 - 8.1.2 Matters concerning establishment, alteration and abolition of important Policy related to risk management
 - 8.1.3 Any other matters concerning enterprise risk management item deemed necessary by the Committee Chairman
- 8.2 All employees shall regard themselves as a principal of risk management and appropriately manage risks arising in the course of day-to-day business operations.

- 8.3 The Company practices prudent risk management at an individual entity level and also identifies, evaluates and appropriately manages risks by each of the business departments and back office departments, respectively.

Article 9 Definitions of Terms

9.1 Risks of the Company are defined as

- 9.1.1 Potential erosion of the Company's capital base due to unexpected losses from business operations.
- 9.1.2 Potential lack of access funds due to deterioration of the Company's creditworthiness or deterioration in market conditions.
- 9.1.3 Potential failure of revenues to cover expenses due to deterioration of earnings environment or deterioration of efficiency or effectiveness of business operations.
- 9.1.4 Potential reputation and financial loss of the Company arising from Fraud, Bribery and Corruption leading to regulatory breach.

9.2 Risk Factor is a potential exposure that is a reason to the Company to be unable to meet the Company's objective according to a defined process whether internal and external factors of organization.

- 9.2.1 Internal factors, for examples; Information Technology, operations, working environments, etc.
- 9.2.2 External factors, for examples; Political and Social, Financial and Economic, Legal and Environment and natural disaster.

9.3 Risk Category

- 9.3.1 Strategic Risk is risk arising from determining strategic plan, operational plan and implement improper or irrelevant with internal and external environment which impacts on earning, capital or continuing of operating business.
- 9.3.2 Liquidity Risk is risk arising from the company cannot settle debt on due date since it cannot provide a sufficient capital or provide capital which its cost is higher than the acceptable level and may impact on the company's earnings and capital both at present and in the future.
- 9.3.3 Credit Risk is Opportunity or probability that partner of contract cannot perform as agreement which may affect on the company's earnings and capital such as concentration in any securities, granting credit limit outside the policy, credit officer lacks experience in analysing credit limit, etc.

9.3.4 Information Technology Risk is probability of expected or unexpected event arising from using technology which effect on system and operation caused loss on the company's earnings and capital such as unauthorized person can access, edit, delete or disclose information.

9.3.5 Operational Risk is risk arising from lack of good governance regarding to internal operating, personnel, system or external event and effect on the company's earnings and capital such as staff's Fraud, Bribery and Corruption, risk which caused loss of assets such as fire, riot, etc.

9.3.6 Market Risk is risk from changing on interest rate, exchange rate and price of instrument in money / capital market which effect on the company's earnings and capital such as Market turnover decrease which effect on Brokerage fee.

9.3.7 Compliance Risk is the risk of being sued or fine by regulators.

9.4 **Risk Assessment** is the process to identify and analyse risks for risk prioritization which affect to meet the Company's objective by assessment risk event bases on the likelihood and impact.

9.4.1 Likelihood means frequency or probability if risk occurring

9.4.2 Impact means size of damage or possible loss if risk occurring

9.4.3 Risk Level means status of risk base on risk assessment from likelihood and impact for each of risk factor. This can be categorized into 5 levels; High, Medium/High, Medium, Low/Medium and Low.

9.5 **Risk Management** means defined policy, structure, or process for relating committee, management members, and all employee can use to operate for define strategy and operation thought out organization. The risk management can be effective if the Company can identify possible risk indicator, assess the impact to organization, and define solution to manage those risks within the risk tolerance in order to raise confidential on a reasonable assurance level that operation on each process can be met with defined objectives.

Risk response means approach to reduce risk likelihood or reduce risk impact to risk tolerance level.

Monitoring means, in order to complete the risk management process, the Company needs to monitor progress based on agreed action plan and to review efficiency of risk management plan to assure that defied risk management plan is appropriated, existent, and any deficiency is treated and corrected with appropriated action and on time. Moreover, it shall be directed to do (repeatedly) risk assessment at least once per annum. To consider whether which risk is on risk tolerant level or any new exposure risk occurring.

Article 10 Risk Management Framework

The Company's risk management framework that has been recognized as a guideline for promoting risk management and aligned with a global practice for the Risk Management Framework named COSO (The Committee of Sponsoring Organization of the Tread Way Commission) or COSO-ERM which consists of 8 elements as following;

- 10.1 Internal Environment:** the Company environment is an important element in defining the risk management framework and is a foundation of direction of organization's risk management. To analyze the internal environment within an organization will reflect a clear implementation in considering with internal factors and external factors that may affect the Company.

Internal factors such as organizational structure, process and operational manual, organization culture, risk management philosophy, and acceptable level of risk (risk tolerance).

External factors such as economic, political in domestic and foreign, technological advances, regulations of relevant agencies.

- 10.2 Objective Setting:** The Company must consider the risk management objectives to be consistent with the strategic goals and risk appetite to the Company for appropriately and clearly setting objectives of risk management which include strategic objectives, operational objectives, reporting objectives, reporting objectives and compliance objectives.

- 10.3 Event Identification:** a collection of events that may occur with the unit which are internal or external risk factors, and when they occur, the Company fails to achieve its objectives. Risk is defined into 4 categories: Strategic Risk, Operational Risk, Financial Risk, and Compliance Risk.

- 10.4 Risk Assessment:** is a measure of risk severity to determine the priority of the risk. The assessment of the likelihood depends on the time taken to consider. Management must be clear in determining the time taken for consideration and should not neglect the potential risks in the long term and the its impact is to consider the financial impact, such as the decline in revenue. Non-financial aspects such as operational strategies that do not achieve corporate objectives or human resources resignation of employees in important positions, for examples.

- 10.5 Risk Response:** is the process after the Company completely identify the risk and assess the level of risk. Risk must be taken to reduce the likelihood of exposure and reduce the severity of the impact to an acceptable level (risk tolerance). Risk responses are divided into 4 categories: Accept, Reduce, Avoid/Terminate and Transfer. Executives may consider factors in defining risk management strategies by assessing the impact and likelihood arising from the implementation of risk management strategies or risk management strategies. Evaluate the cost and benefit of implementation of risk management strategies or assess the feasibility of successful risk management.

- 10.6 Control Activities:** is to define activities and practices to reduce or control risk, to ensure about ability to handle the risk properly and to achieve the objectives and goals of the

Company. Control is classified into Preventive Control, Detective Control, Corrective Control and Directive Control.

- 10.7 **Information & Communication:** The Company must have effective information technology and communication systems because these are an important basis to consider and implement risk management in accordance with the further framework and procedures set by the Company.

Information means the data that has been processed and is provided in an appropriate form, meaningful and useful to use. Information includes financial information and other operational information. The information is both internal and external.

Communication is the transferring of information that are made and then sent to those who should be received or are prepared for those who should receive such information will benefit in making decisions and to support understanding and to achieve the objectives. Communication systems must consist of internal communication and external communication. The Company must communicate to the board or senior management and staff to be aware and understand policies, practices, and risk management processes. In addition, the efficiency and effectiveness of communication should be evaluated to ensure that communication is part of the internal control that is most beneficial to the Company.

- 10.8 **Monitoring:** The activity that monitors and reviews the risk management plan. To ensure that risk management is effective and appropriate or should be modified by identify the information required to monitor and frequency of review. Risk assessment should be repeated at least once a year, to assess whether the risk is at an acceptable level (risk tolerance) or if there is a new risk occurring. The risk and management of the risk may change from time to time. Risk management that used to always be effective may change to inappropriate activity. Control activity may be less effective or should not continue. Executives should assess the risk management process on a regular basis to ensure that risk management is always effective.

Article 11 Report

- 11.1 The Committee shall evaluate risks using both quantitative and qualitative methods, endeavoring to the extent possible to evaluate risks using quantitative methods.
- 11.2 The Committee shall regularly verify the effectiveness of risk evaluation and revise at least annually as necessary.
- 11.3 The Committee shall, at least annually, report and provide recommendation for improvement to acceptable risk to the Board of Executive Directors and Board of Directors the status of discussion at the meetings of the Committee and any other matters deemed necessary by the Committee Chairman.

Article 12 Minutes of Meetings

- 12.1 The secretary shall record the substance of proceedings at a meeting of the Committee and the results thereof in minutes of the meeting and the Members present shall sign such minutes.
- 12.2 The minutes of the meeting of the Committee shall be kept at Risk Management Department for five (5) years.

Article 13 Alteration and Abolition

- 13.1 Alteration and abolition of this Policy shall be subject to the resolution of Board of Executive Directors.

Anti-Bribery and Corruption Policy

Capital Nomura Securities Public Company Limited

1. Overview

Capital Nomura Public Company Limited ("CNS") is committed to conduct the business with integrity and transparency to be in compliance with the principles of good corporate governance. CNS has participated "Thailand's Private Sector Collective Action Coalition Against Corruption" with a strong intention against all forms of corruption in order to set the standard of practices on transparency. CNS expects its Employees to comply with all such laws, rules and regulations and to be neither involved with bribery nor corrupt activities. CNS prohibits the offer, arrangement or acceptance on its own behalf of any form of bribe, regardless of whether that bribe is paid directly or indirectly by a third party to either a Public Official or any other individual. CNS' employees need to be mindful that the offer of an inducement (which need not necessarily take the form of money) to do something which is dishonest, illegal or a breach of trust in order to give another individual or entity a commercial advantage, may also be seen to be a bribe. Gifts or entertainment offered by employees to clients, prospective clients, vendors or consultants, which although not illegal in many jurisdictions, may similarly be seen as a bribe or inducement particularly if that gift or entertainment is excessive in value, are offered to Public Officials, and/or is provided before the tender or bid (or equivalent) for a particular business or transactional opportunity. In this regard, CNS has formulated the written "Anti-Bribery and Corruption Policy" as an apparent guideline in conducting business and sustainable development.

The purpose of this Policy is to ensure that CNS does not become involved in the use of bribery whilst at the same time demonstrates CNS' commitment to the elimination of bribery. In addition, it also assists CNS in making a positive contribution in the jurisdictions in which it does business by assisting in improving business standards of honesty, integrity, transparency and accountability.

The Board of Directors and Board of Executive Directors unanimously approved this Anti-Bribery and Corruption Policy, as a part of CNS's Code of Ethics.

2. Anti-Bribery and Corruption Policy

CNS employees are prohibited to claim, commit, accept or support any forms of corruption, either directly or indirectly, in all geographical areas where CNS operates business except the permission prescribed by laws, rules & regulations, local culture and commercial tradition.

CNS officially identifies Definition, Duties and Responsibilities and Guidelines to be strictly complied by CNS' directors, management and employees including agents acting on behalf of CNS. Any violations of the Anti-Bribery and Corruption Policy or any actions considered as a breach of the Anti-Bribery and Corruption Policy, the violators shall be subject to penalties as stipulated by Rule of Employment.

3. Definition

Corruption involves dishonest or preferential use of power or position which has the result of one person or organization being advantaged over another.

Bribe is defined as the intentional offer, promise, payment, arranging for the payment, transfer or receipt of anything of value, whether directly or indirectly, to or from private entities, government authorities, public officials as well as any persons or entities, for their actions or refrain from acting in breach of performance of official or fiduciary duties, or in breach of contractual or other obligations.

Bribery is defined as offering, giving, receiving, soliciting, or arranging for the giving, transfer or receipt of anything of value, whether directly or indirectly, to or from any person, for the purpose of influencing that person to perform or refrain from performing official, contractual or fiduciary duties, such that an improper advantage is created. The act of offering or giving anything of value includes promising or authorizing to offer or give.

Anything of value refers to any advantage, whether in financial, kind or any other form, which benefits the recipient and includes, but is not limited to: money, loans, fees, stock, contractual rights or interest, real estate, personal property or other interests arising from business relationships, gifts, meals, entertainment, contributions or donations made at the suggestion or direction of a Public Official, a client, another employee, or any other individual, travel and travel related expenses, below-market discounts, refunds, rebates, preferential treatment in the provision of, or preferential access to, business opportunities, goods or services that do not have a commercially reasonable justification, or other improper inducements. Anything of value can also mean an offer of employment to, or at the suggestion or direction of, a Public Official, a client, another employee, or any other individual.

CNS employee(s) or Employee(s) means any each salaried employee, directors, management, employees, agent acting on behalf of CNS, each person (whether salaried or non-salaried) working on a short-term or long-term contract direct with CNS or individuals on secondment or transfer from other companies including interns.

Public Official is

- Any person holding a legislative, administrative or judicial office of a country, whether appointed or elected, whether permanent or temporary, whether paid or unpaid, irrespective of that person's seniority;
- Any person exercising a public function for a country, including for a public agency or public enterprise;
- Any official or agent of a public international organization; or,
- A member of a Royal Family (ruling or non-ruling) including a Sultanate or Kingdom.

Public international organization means an organization whose members are any of the following:

- Countries or territories;
- Governments of countries or territories;
- Other public international organizations; or
- A mixture of the above

For the purposes of this Policy, the following would be defined as “**Government**”, and an employee of a Government would be considered a Public Official:

- A state-owned enterprise 100% owned by a government;
- A government ministry, statutory board, agency or affiliated body.
- Supranational organizations (such as Central Bank, Regulators, Exchanges, IMF, UN, World Bank); and,
- Any other entity or agency that exercises a public function for or on behalf of any country or territory.

An individual would be considered a Public Official even if he/she is retired from, discharged from, or had relinquished, the public function for whatever reasons, if he/she may still have significant influence by virtue of the previous position. In determining this, it is necessary to consider if the individual or his/her family members still maintain influential political links.

4. Duties and Responsibilities

1. The Board of Executive Directors and Board of Directors undertake their duties and responsibilities to approve the Anti-Bribery and Corruption Policy as well as delegate clear authorities and responsibilities to directors, management and employees including agents acting on behalf of CNS to strictly follow the Anti-Bribery and Corruption Policy.
2. Audit Committee undertakes its duties and responsibilities to review the Company's financial reporting whether it is accurate and adequate. The Audit Committee shall assist the Company to have an appropriate internal control, corporate good governance, and risk management related to the Anti-bribery and corruption.
3. Internal Audit Department undertakes its duties and responsibilities to audit the operation in order to ensure the sufficiency of internal control and to be correctly complied with the Anti-Bribery and Corruption Policy. The Internal Audit Department is also responsible for continuously gathering audit evidences, periodically reviewing the Procedures and Guidelines, as well as presenting the audit results to the Audit

Committee. The Audit Committee shall consider the audit results and further report to the Board of Directors.

4. CNS employees shall strictly comply with the Anti-Bribery and Corruption Policy and all related CNS' policies. Any violations of the Anti-Bribery and Corruption Policy or any actions considered as a breach of the Anti-Bribery and Corruption Policy, the violators shall be subject to penalties as stipulated by Rule of Employment.
5. CNS employees shall not neglect to notify CNS any likelihood or actions of corruption related to CNS through the communication channels as specified in Whistleblowing Policy.

5. Use of Third Parties: Intermediaries and Agents

Due care must be exercised by CNS when selecting and dealing with intermediaries or agents to either: (i) solicit new business; or (ii) support efforts to retain existing business. Appropriate due diligence on all third party intermediaries or agents must be carried out prior to entering into any relevant contract or engagement with the third party, and prior approval obtained from appropriate senior management.

5.1 Procedures

Responsible department must perform reasonable due diligence when engaging third party intermediaries or agents in the situations described above. Whilst the exact level of due diligence that should be carried out may depend upon the person, entity and country involved, reasonable due diligence must be completed by Legal Department before engaging or entering into any agreement or understanding with the third party, so that CNS obtains assurance that they are reputable and no concerns have come to light with regards to bribery and corruption.

5.2 Agreement by the Third Party

All arrangements with third parties covered above must include a written agreement from the third party that they will not engage in bribery whether it be directly or indirectly. Typically, this requirement is met by CNS adding an appropriate clause in the relevant contract with the third party.

6. Facilitation payments

Facilitation payments involve the giving of very small amounts of money – which, in certain jurisdictions, are commonly paid (typically to Public Officials) – in order to ensure the successful completion of certain routine administrative tasks, for example, the granting of an entry visa.

This Policy prohibits the passing of any form of facilitation payment made either directly by an employee or indirectly by a third party on behalf of CNS or a CNS employee. Where a facilitation payment is made inadvertently by a CNS employee in the normal course of duties, or where an

employee was under threats to make such a payment or had concerns for their personal safety, the matter should be reported to Supervisor and Compliance Department, as soon as possible after the payment has been made, who will provide further guidance and advice.

7. Gifts and Entertainment

The Gift and Entertainment Policy has specific requirements in place for the giving or receiving of gifts and/or client entertainment including guidance on the monetary thresholds above which approval comply with Expense / Payment Authorization Policy would be required. Where gifts or entertainment are directed towards former or current Public Officials, BoED's approval is required in every case.

8. Charitable and Philanthropic Donations

In general, the giving of charitable or philanthropic donations by CNS entities is permitted, however donations made either directly or indirectly to charities, philanthropic or other causes used to disguise a bribe or transfer or anything of value to, or for, the benefit of a Public Official or any other individual are prohibited.

9. Political Donations

In general, employees may make personal political contributions, either directly or through corporation-sponsored or other political action committees, providing they are permitted by local legislation. Political donations made in exchange for obtaining or retaining business or other improper advantage for the benefit of CNS entities, employee or any other person including a Public Official, are prohibited in any circumstance.

10. Procurement

No CNS Entities or Employee may solicit, offer, pay or receive, or arrange for the payment of bribes in any form either directly or indirectly in connection with any commercial transaction or relationship where CNS is a party. Where CNS invites bids for tenders (either competitively or non-competitively) from external suppliers for goods and/or services, suppliers may not engage in bribery, collusive practices or any other form of corruption in order to obtain or retain business. Suppliers of products or services should not be taken into consideration by CNS if they seek to extort bribes either directly or indirectly from CNS.

11. Client Risk

Certain clients identified during the due diligence or enhanced due diligence process (either through initial client take-on or through on-going client checks) may potentially represent a greater degree of risk for CNS. Such due diligence or enhanced due diligence findings may include the identification of adverse publicly available information from credible sources that calls into question a client's activities regarding corruption, or, indeed, that indicates that prosecutions or actions have been taken by law enforcement, regulatory or governmental bodies into such activities.

If such information has been identified upon account opening process, CNS will refuse to establish a business transaction with that client. However, if such information has been identified during the on-going due diligence, the matter should be referred to the Anti Money Laundering Committee (AMLC) for investigation and consideration.

11.1 Politically Exposed Person Risk

As part of Know Your Customer (KYC) Procedures, it is a requirement to identify whether any clients or relevant principals associated with the client are, or ever have been, Politically Exposed Persons ("PEPs"). Relationships with PEPs represent increased risks due to the possibility that individuals holding such positions may misuse their power and influence for personal gain and advantage or for the personal gain or advantage for their family and/or close associates. Such individuals may also use their families or close associates to conceal funds or assets that have been mis-appropriated either as a result of abuse of their official position or as a result from bribery and corruption.

PEPs are always considered as a high-risk customer which require one executive director to sign-off in each case. In addition, for those PEPs, extra attention needs to be paid to ensure that any account activity is consistent with legitimate or expected transactions or activity. CNS also has in place a process to undertake daily screening of all client data and associated principals in order to identify any new PEP relationships.

11.2 Transaction Risk

As with all financial institutions, there is a risk that CNS may be misused by its clients to further their own acts or corruption, for example by: (i) a client directing or collecting funds through CNS for the purpose of paying a bribe; (ii) a client receiving a bribe and depositing it with CNS; or, (iii) the laundering of a bribe payment. In most cases, and without further information, it may be impossible for CNS to distinguish between accounts and transactions associated with such corruption and those accounts and transactions that have a legal and sound commercial basis.

CNS has developed the process and procedures to identify and detect suspicious transactions or activities and could immediately report when the suspicious transaction was found. Where a suspicious transaction has been identified, a suspicious transaction report (STR) should be submitted to AMLC for review and investigation. If AMLC has agreed to report the transaction, the report should be submitted to Anti- Money Laundering Office (AMLO) within 7 days.

12. Employees Connected to Public Officials, Clients or CNS Employees

Whilst employment of family members and close associates of Public Officials, clients or CNS employees is neither prohibited nor undesirable, particular care needs to be exercised (for the benefit of both the particular individual as well as for CNS) to prevent suggestions of corruption, conflict of interest or other impropriety in connection with any such employment including permanent hire, graduate scheme, internships, temporary or other roles.

13. Books and Records

Employees must ensure that corporate books and records (which include virtually all forms of business documentation) accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets. No undisclosed or unrecorded fund or asset may be established or maintained for any purpose.

14. Guidelines

1. Any actions taken under the Anti-Bribery and Corruption Policy shall be complied in accordance with the guidelines specified in CNS' Compliance Manual, Code of Ethics of Nomura Group, Employee Regulations, Good Corporate Governance Policy, Gifts, Entertainment and Expenses policies including any future regulations and guidelines formulated by CNS. CNS has communicated to its Employees to strictly comply with CNS' the Anti-Bribery and Corruption Policy and related guidelines.
2. CNS has Gifts and Entertainment Policy and Expenses/ Payment Authorization to stakeholders. Employees shall not build up any special relationship with clients which would affect such employee's impartiality and would lead to biased client services. Employees shall refrain from accepting gifts of great value or accept other compensation/benefits from clients or outside parties related to clients or third parties related the Company. Where such cannot be avoided, the employees must comply with the Gifts and Entertainment Policy.
3. CNS has clearly defined Personnel Management to align with the Anti-Bribery and Corruption Policy which includes Recruitment, Training, Performance Appraisal, Remuneration as well as Employee Promotions.
4. CNS shall not demote, penalize or cause any negative consequences to directors, management and employees including agents acting on behalf of CNS, who act against corruption, despite the fact that their actions may lead to CNS' loss of business opportunities. CNS shall give fair treatment and protect the person who acts against corruption.
5. Any person who finds any likelihood or actions of corruption related to CNS must directly inform their superior and notify CNS through the communication channels provided in CNS's Whistleblowing Policy. In case that the superior is the accused, the whistleblower

must directly notify CNS through the communication channels provided in CNS' Whistleblowing Policy.

6. The Anti-Bribery and Corruption Policy has been publicly disclosed and communicated to CNS employees, customers and public through CNS' internal and external communication channels.

15. Review

Violations of the laws that this Policy reflects can have serious legal and reputational repercussions for CNS and its employees. Reports of offers or solicitations of bribes, suspected acts of bribery and potential violations of this Policy, may be made to Legal Department immediately to determine whether the relationship constitutes such a violation and whether any regulatory filings or reports, including suspicious activity reports, need to be filed with the appropriate law enforcement or regulatory authority. Employees may also satisfy their reporting obligation by making such a report through CNS' Whistle Blowing Telephone Line (as detailed on the Whistle Blowing Policy).

The Policy must be reviewed and where necessary revised at least every 12 months by Risk Management Department (RMD) to ensure the alignment with the changes of business, rules, regulations and legal requirements.

16. Alteration and Abolition

Alteration and abolition of this Policy shall be subject to the resolution of the Board of Executive Directors.

17. Training

Risk Management Department and Human Resources Department will ensure that regular training on bribery and corruption is provided to employees working in applicable departments where necessary. Appropriate records of attendance will be maintained in accordance with CNS' record keeping requirements. Bribery and Corruption training is also a component of CNS' new hires and on-going training.

18. Effective Date

This version of the Policy is effective from December 31, 2018.

Capital Nomura Securities Public Company Limited Policy for Anti-Money Laundering & Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF)

Capital Nomura Securities Public Company Limited (hereinafter “CNS”) is aware of the duty, ethics and the importance of stipulating Policies for Anti-Money Laundering & Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF Policy). CNS is determined to prevent itself from becoming a source of money laundering and financing of terrorism by means of strictly performing in compliance with the anti-money laundering laws including the related regulations and other codes of conduct prescribed by the Anti-Money Laundering Office (hereinafter “AMLO”) and the Securities and Exchange Commission (SEC).

CNS has in place the AML/CTPF Procedure for customer policy risk management and customer KYC/CDD and several measures to support the AML/CTPF Policies including customer acceptance, risk management, and customer KYC/CDD. CNS shall manage its personnel to comply with the AML/CTPF Policies, AML/CTPF Procedure as follows:

1. Purposes

CNS as a financial institution is required to have in place a Policy for Anti-Money Laundering & Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF). Such Policy shall be approved by the Board of Directors of CNS. CNS shall also emphasize and conduct in accordance with the said Policy and shall act under ethical obligation in compliance with the anti-money laundering law and international standard for AML/CTPF.

In order to comply with the intention of the said laws, CNS has therefore prescribed the measures for the Risk Management and the Know Your Customer /Customer Due Diligence: KYC/CDD, which are the main preventative screening measures to protect CNS from becoming a source of money laundering and financing of terrorism.

In addition, CNS shall constantly manage its personnel as well as its system so as to be able to efficiently comply with the said policies.

2. Obligation and Responsibility to conduct in accordance with the Policy

Every staff in CNS have a role in the implementation and continuation of the AML/CTPF Policy. Staff must take due and reasonable care in the execution of their duties. In particular, the following teams/departments carry a more significant role in the successful implementation of the AML/CTPF Policy.

- 2.1 The Board of Executive Directors** is ultimately responsible and accountable for the AML/CTPF regime, guided by the Anti-Money Laundering Committee: AMLC. The Board of Executive Directors shall ensure that the CNS's AML/CTPF risks are appropriately managed.

The Board of Executive Directors shall prescribe the measures for Risk Management for AML/CTPF which may occur from the services rendered by CNS, and shall arrange for the related officers to prepare the rules and regulations in accordance with policies on AML/CTPF and the model prescribed by AMLO, as well as encourage its personnel to adequately and continually acquire knowledge and understanding on AML/CTPF and strictly comply with the policies and guidelines of CNS including relevant laws and regulations.

- 2.2 Anti-Money Laundering Committee (AMLC)** is assigned by the Company to supervise and monitor CNS' operations to comply with anti-money laundering regulations. Roles and responsibilities of the AMLC are prescribed in the AMLC Terms of Reference.
- 2.3 Compliance Department** shall coordinate with the AMLC as assigned by the BOED, to ensure that CNS is in compliance with the AML/CTPF regime as the Second Line of Defense.
- 2.4 Legal Department** shall be responsible for giving counsel, opinion and advise on laws, regulation and announcement related to AML/CTPF, and shall also provide AML/CTPF training to employee to ensure that all CNS employees comply with the AML/CTPF law as Second Line of Defense.
- 2.5 Salespersons or Front Office** are the First Line of Defense responsible for identifying, assessing and controlling financial crime risks. Salespersons will be responsible for knowing their clients and understanding the client documentation requirements from the beginning and throughout their relationship with CNS.
- 2.6 Operations Department** is an important element in the AML/CTPF regime, particularly in the monitoring of client and Third-Party transactions and Wire Transfers. These transactions are commonly used by money launderers and terrorist financiers to launder proceeds of crime or to gather funds for illicit activities. Operations shall ensure they have in place procedural documentation for staff who are responsible for these duties.
- 2.7 Account Opening Team** is separated from sales with the responsibility to review and understand the client prior to the engagement with the Company. As the First Line of Defense, Account Opening shall review and consider whether a potential client carry risk related to money-laundering and financing of terrorism or not.
- 2.8 Risk Management Department** shall prevent the risk of money laundering and terrorism and proliferation of weapons of mass destruction financing by managing all material subjected to risk in money laundering and financing of terrorism from the account opening stage throughout their time as CNS's client. Risk Management shall perform as the second line of defense.

- 2.9 Internal Audit Department** is the third line of defense, whose role is to provide independent and objective based assurance designed to add value and improve CNS's operations in a manner consistent with relevant regulatory and professional standards. Internal Audit shall audit CNS's internal AML/CTPF policy and AML/CTPF procedure independently.

3. Customer Policy

CNS has in place a procedure on establishment or refusal, of business relationship or transactions with its customers, agents and counterparties both domestic and abroad, by which CNS shall obtain their identification data so as to be able to verify and ensure the identity of the customer as well as to examine against the check-list of exposed persons as specified by laws, with the purpose to prevent CNS from being used as a means or a medium in money laundering or financing of terrorism.

4. Know Your Customer /Customer Due Diligence: KYC/CDD

CNS has stipulated the type of customer including beneficial owner and controlling person in order to obtain the information and evidence for client identification as well as to properly rate the risk of money laundering as stipulated by laws.

5. Risk Management

CNS have issued measures to evaluate the risks which might be related to money laundering and counter-terrorism and proliferation of weapons of mass destruction financing which are fit for the customer's risk level under international standard, as well as stipulation of policy as prescribed by Securities Exchange Commission, in order to ensure that the said measures can safeguard or minimize the risk of CNS being used as a mean or a medium in money laundering and terrorism and proliferation of weapons of mass destruction financing.

5.1 CNS have in place, assessment of risk associated with financing of money laundering, terrorism and proliferation of weapons of mass destruction, in order to assess the intensity level for customer's identification data and evidence collection, appropriate to the specific customer's risk exposure in financing of money laundering, terrorism and proliferation of weapons of mass destruction.

5.2 CNS have in place, fact-finding measures for customer who may require special attention or customer with more exposure to risk of money laundering and terrorism, and also prescribed adequate and appropriate monitoring method and tracking of customer's transactions.

5.3 CNS have in place, risk management, information review and customer KYC/CDD review, especially against customers under the risk of money laundering. In case that the facts which implies risk of money laundering and counter-terrorism and proliferation of weapons of mass

destruction financing are found, CNS shall evaluate and consider refusing establishment of relationship with such customer, if the establishment of such relationship is necessary, CNS shall report to AMLO that the particular transaction is a suspicious transaction.

5.4 CNS have in place measures to examine facts related to the customer depending on the level of risk arising from the relationship and in monitoring the movement of the customer account.

6. Use of Technology for Customer Due Diligence

CNS has in place, access to several databases to be able to examine and conduct customer due diligence as required by laws e.g. information of persons who committed predicate offense, a person who committed money laundering offense, the name list of foreign politically exposed person (PEP) and name list of the members of a terrorist group etc. Such technologies are used for the benefit combating money laundering effectively.

7. Customer Due Diligence

CNS have in place procedures for monitoring services utilization of customers from the start till the termination of business relationship in accordance with legal guideline. Where there are occasional customers, including the watch list customers notified by the AMLO Secretary-General (UN List, Sanction List and others) which shall be re-evaluated for consistency with the business purpose, profession and the source of income to maintain up-to-date information of these customers.

8. Suspicious transactions report upon Customer Due Diligence

8.1 CNS have in place, guidelines for suspicious transaction report to AMLO under the terms and conditions of the anti-money laundering laws and relevant regulations.

8.2 CNS give priority to the development of report systems, for the purpose of timely reporting and tracking of abnormal and suspicious transactions.

8.3 CNS have prescribed the characteristic of suspicious transactions in compliance with the guideline stipulated by AMLO and Securities and Exchange Commission.

8.4 CNS shall carefully conduct itself to prevent customer from becoming aware that their information has been disclosed and reported as suspicious transactions to AMLO.

9. Data storing system

9.1 CNS have in place, a storage system for data and identification evidence of its customers, agents and counterparties by which CNS is able to conduct KYC/CDD.

9.2 CNS have in place, data and evidence storage system for suspicious transactions reporting purposes in compliance with the anti-money laundering regulations.

Such data and evidences stated in 9.1 or 9.2 shall be available at all time for examination, at the request of relevant authorities. The period of storing shall be in consistent with the policy, laws and relevant regulations.

10. Imposing the rules, regulations, and guidelines

CNS has in place rules, regulations, and guidelines which are in compliance with policies on anti-money laundering and counter-terrorism and proliferation of weapons of mass destruction financing as prescribed by the AMLO, where these rules, regulation and guideline are made with approval of the BOED.

11. Training

CNS will provide AML/CTPF training to its employees at least once per year to ensure that all employees correctly understand AML/CTPF.

9.1 Disclosure of the implementation of the Good Corporate Governance Policy

For the six-months period ended June 30, 2019, CNS implemented the Good Corporate Governance Policy, in line with Principles of Good Corporate Governance for listed companies and related guidelines defined by the SEC and the SET, covering 5 categories as follows

Section 1 Right of Shareholders

The Company is aware of the basic rights of shareholders including the right to buy/sell/transfer shares, the Company's profit, the acceptance of the adequate information of the Company, the attendance of the shareholders' meetings for voting the election or dismissal the members of the Board of Directors, the appointment of the external auditor and consideration of the significant effects to the Company, such as the amendments to the Company's articles and association or bylaws, capital increases or decreases, or the approval of extraordinary transactions.

The Company recognizes and emphasizes on the right of shareholders, encourages shareholders to exercise their rights appropriately and also avoids any actions that violate those rights as follows.

1. Shareholders' meeting

For the six-months period ended June 30, 2019, CNS held the Annual General Meeting ("the AGM") of Shareholders No. 1/2562 held on April 26, 2019 by referring the Good Corporate Governance Policy as the following details;

- CNS encouraged and supported all shareholders, including institutional ones to attend the AGM by arranging the meeting and treating all shareholders equally and allowing any shareholders who could not attend the AGM to appoint their proxies to attend the shareholders' meetings and cast their votes as well as provide a list of 2 independent directors with independence and no interest in any agendas for shareholders' options to appoint their proxies.
- The AGM was held at CNS Convention Center, 21/3, Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, located next to its Head Office to facilitate all shareholders, including institutional ones, in participating and exercising their rights in the AGM. CNS also provided shareholders the notice of the AGM which included the date, time, venue, agendas, facts and reasons with the Board of Directors' opinion for each agenda and criteria and procedure for attending the AGM as well as sufficient key supporting information for each agenda. The notice of summoning to attend the AGM No. 1/2562 was provided to shareholders with the following important documents;

- (1) A copy of the Minutes of the Annual General Meeting of Shareholders No. 1/2561
 - (2) Biographies of the Company's Directors retired by rotation who were to be proposed to the Shareholders' Meeting to be re-elected to be the Company's Directors for another term
 - (3) Registration and Proxy Procedure
 - (4) Biographies of Independent Directors, proposed by the Company to serve as proxy for shareholders
 - (5) Definition of the Company's Independent Director
 - (6) The Company's Articles of Association relating to Shareholders' Meeting
 - (7) Map of the meeting location for the Annual General Meeting of Shareholders No. 1/2562 (CNS Convention Center)
 - (8) Proxy forms
 - (9) Annual Report 2018
- CNS published the notice of the AGM on its website (www.nomuradirect.com) on March 26, 2019, 31 days before the AGM date, in compliance with the Good Corporate Governance Practice requiring 28 days in advance.
 - CNS did not do any actions that violate or deprive the shareholders' rights, not limit to the stated law such as the rights of late comers to attend the AGM. No document for additional key information was suddenly provided in the AGM. No additional issue was added to the agenda. No change of key information was made without prior notices to shareholders. CNS also provided shareholders the rights to ask and receive answers from the Board of Directors in the AGM.

2. Procedures on the shareholders' meeting date

For the six-months period ended June 30, 2019, CNS held the Annual General Meeting ("the AGM") of Shareholders No. 1/2562 on Friday, April 26, 2019 with the following detail of the procedures on the AGM date;

- CNS used Smart ID Card Reader in recording the attendee registration and Barcode system in printing the ballots as well as processing the voting results in order to conduct the AGM fast, precise, and accurate.
- CNS required all board members and the Chairman of each committee as well as top management in Finance Division, external auditors and a legal advisor to attend the AGM to clarify and answer questions from attended shareholders. The following attendees were recorded in the minutes of the AGM.

- ➡ All 11 board members (no absent board member)
 - ➡ The Chairman of the Board of Executive Directors
 - ➡ The Chairperson of the Audit Committee
 - ➡ The Chairperson of the Marginable Securities Committee
 - ➡ The Chairman of the Risk Management Committee
 - ➡ The Chairman of the Anti-Money Laundering Committee
 - ➡ The Chairman of the Credit Review Committee
 - ➡ The highest responsibility in finance and accounting (Chief Financial Officer: CFO)
 - ➡ Division Head of Finance Division and the person supervising accounting (Chief Accountant)
 - ➡ The external auditors from EY Office Limited
 - ➡ The legal advisor from Baker & McKenzie Ltd.
- Regarding CNS's Good Corporate Governance Policy, CNS appointed an independent legal advisor from Baker & McKenzie Ltd. to be scrutineer of the shareholders' vote counting procedures of the AGM, together with the CNS's staff. CNS also recorded this appointment in the minutes of the AGM.
 - CNS informed the AGM of shareholders' voting and vote counting procedures for each agenda by using the ballots distributed during the registration process. The resolutions and detailed voting results of each agenda consisting of approving, dissenting, and abstaining votes were reported to the AGM after the agenda ended before moving on to the next agenda.
 - Regarding the agenda of election of directors, shareholders were requested to vote on individual nominees and the voting result was also announced on individual nominees.
 - CNS provided shareholders an opportunity to ask questions relevant to a particular agenda before casting their votes and also assigned responsible persons to provide answers completely and equally to shareholders, not concerning that the questions were from major or minor shareholders. The AGM took approximately 2 hours.

3. Writing and releasing of the minutes of shareholders' meetings

For the six-months period ended June 30, 2019, CNS held the Annual General Meeting ("the AGM") of Shareholders No. 1/2562 held on Friday, April 26, 2019 with the following detail of the writing and releasing of the minutes of the AGM;

- CNS's company secretary prepared the minutes of the AGM. The minutes recorded the voting and counting procedures informed before the AGM started, the opportunity for shareholders

to ask questions or raise issues, questions and answers, resolutions and detailed voting results of each agenda consisting of approving, dissenting, abstaining and the number of voided ballots as well as list of board members who attended the AGM. The AGM had no absent board member.

- The Company has had the policy to publish the voting results of each agenda of the annual general meeting and extraordinary general meeting by the next working day on the Company's website.

For 2019, CNS published the resolution of the AGM by showing voting results of each agenda on its website (www.nomuradirect.com) on April 26, 2019, the date of the AGM No.1/2562.

- CNS published the minutes of the AGM on its website (www.nomuradirect.com) on May 9, 2019, within 14 days in compliance with the law and regulations.

Section 2 Equitable Treatment of Shareholders

1. Release of information before the shareholders' meeting

For the six-months period ended June 30, 2019, CNS held the Annual General Meeting ("the AGM") of Shareholders No. 1/2562 on Friday April 26, 2019 with the following detail of the Release of information before the AGM;

- The notice of the AGM both in Thai and English was released to the SET and shareholders for their information of the AGM schedule, including the agenda items, facts and reasons with the Board of Directors' opinion for each agenda item and criteria and procedure for attending the AGM as well as sufficient key supporting information for each agenda item. CNS also published the notice of the AGM on its website (www.nomuradirect.com) on March 26, 2019, 31 days before the AGM date, in compliance with the Good Corporate Governance Practice requiring 28 days in advance.
- CNS informed the AGM of shareholders' voting procedure and rights as well as vote counting procedures for each agenda item.
- The notice of shareholders' meeting in English version was also published at the same time as Thai version.

2. Protection of minor shareholders

For the six-months period ended June 30, 2019, CNS held the Annual General Meeting ("the AGM") of Shareholders No. 1/2562 on Friday, April 26, 2019 with the following detail of the protection of minor shareholders;

- CNS conducted the AGM by following the sequence of the agenda item as defined in the notice of the AGM. No additional issue was added to the agenda. No document for additional key information was suddenly provided in the AGM.
- Regarding the agenda of election of directors, shareholders were requested to vote on individual nominees and the voting result was also announced on individual nominees.

3. Protection against abuse of inside information

For the six-months period ended June 30, 2019, there was no trading transaction of CNS share by CNS's Directors and Management by using insider information for abusive self-dealing. In addition, CNS conducted the following protection against abuse of inside information;

- CNS defined a written policy and procedures on the use of inside information to prevent the use of insider information for abusive self-dealing. CNS's employees were informed to acknowledge and strictly comply with the policy. Please see further detail as described in the section "Monitoring the use of and access to inside information".
- CNS required directors and management to report their shareholding in CNS in the monthly board meetings and when there is a change.
- As at June 30, 2019, the Company disclosed the shareholding information of directors and their spouse and underage children, and also, of management and their spouse and underage children as well as the change in their shareholding in CNS during the six-months period ended June 30, 2019 were disclosed in the section "Management Structure".

4. Conflicts of interest by directors

For the six-months period ended June 30, 2019, there was no interested director and connected person voting for the Board of Directors meetings in considering the agendas of connected transactions. The minutes of the Board of Directors meeting were completely recorded and CNS conducted the following activities in relation to Conflicts of interest by directors;

- CNS has had the Connected Transactions Policy and the Supplemental Guidelines to the Connected Transaction Policy, which were announced in the year 2017 and reviewed annually. For the year 2019, it is in the reviewing process to prevent abusive for self-dealing of connected persons by defining that connected transactions must be conducted based on its utmost benefit and must be complied with the relevant regulators' rules. Also, connected transactions must be approved by the Board of Directors or reported to the Board of Directors in case that such connected transactions are under management's authorization to be in compliance with the SET's and the SEC's rules and regulations. Please see further details in the section "the Connected Transactions Policy".
- The Board of Directors requires directors and management to report their shareholding in CNS in the monthly the Board of Directors meetings and when there is a change in order to

immediately report their interests, as interested directors and connected persons, to be in compliance with the SET's and the SEC's regulations before the consideration of the agenda of connected transactions. CNS also defines that interested directors are not allowed to attend the board meetings in considering the agendas of connected transactions except it's necessary to ask for more information from the interested directors and/or connected persons. In such case, the interested directors and connected person can attend but cannot vote for such agendas.

Section 3 Role of Stakeholders

1. Policies affecting stakeholders

For the six-months period ended June 30, 2019, CNS defines policies affecting stakeholders as follows;

- CNS sets up a guideline of the treatment to stakeholders in the Code of Ethics which is the same guideline as Nomura Group. CNS publishes the Code of Ethics of Nomura Group on its website (www.nomuradirect.com), covering several key issues; Social Responsibilities, Advancement of Customers' Interests, Compliance with Laws, Corporate Opportunity, Conflicts of Interest, Confidentiality, Fair Dealing, Protection and Proper Use of Corporate Assets, Retention of Documents, Environmental Issues, Corporate Citizenship Activities, Respect for Human Rights, International Harmonization, Media Policy, Personal Investments, Reporting of Illegal or Unethical Conduct, Protection against Retaliation, Code of Ethics for Financial Professionals. Please see further details of the Code of Ethics in the section "Code of Ethics of Nomura Group" on its website (www.nomuradirect.com).
- CNS has a policy that all directors, management and employees must comply with the Code of Ethics of Nomura Group by reading, understanding and affirming the compliance with the Code of Ethics of Nomura Group on annual basis in February.
- CNS defines the Anti-Bribery and Corruption Policy as an apparent guideline in conducting business for sustainable development and also discloses The Anti-Bribery and Corruption Policy on its website (www.nomuradirect.com) and required to be reviewed and amended as appropriate at least every 12 months to comply with changes in business, rules and regulations as well as requirements and laws. Please see further details in the section "the Anti-Bribery and Corruption Policy" on its website (www.nomuradirect.com).
- CNS has written procedures in handling client's complaint. Clients can submit their complaint to Compliance Department at Telephone No. 02-081-2858-65 or via postal mail or its website (www.nomuradirect.com). When there is any client complaint, Compliance Department shall find the fact and resolve such complaint including contact and inform the progress to the client within 30 days after the receipt of the complaint. If that case has not been concluded within 30 days, the Compliance Department shall inform the progress every 30 days until the investigation of the complaint is concluded. After the resolution, Compliance Department shall response to the client within 7 days from the date as of when the complaint is resolved, including preventive measures to detect problems that may occur.

- CNS defines the Whistleblowing Policy, a channel that stakeholders can report their opinions, complaint or issues within the whistleblowing scopes to CNS and also publishes the Whistleblowing Policy on its website (www.nomuradirect.com). Please see further details in the section “the Whistleblowing Policy”.
- CNS has provided a clean, good and safe working environment to create good sanitation for employees as well as defines the Safety, Occupational Health and Environment Policy which was announced in 2018. For the year 2019, it is in the reviewing process.

Safety, Occupational Health and Environment Policy

Capital Nomura Securities Public Company Limited (“CNS” or “the Company”) recognizes the importance of safety, occupational health and environment which will affect all employees, including the community and society. Everyone’s work affects the environment and that it is its responsibility to discharge the assigned duty with environment concern. Therefore, CNS has set up the Safety, Occupational Health and Environment Policy details are as follows.

1. All employees must take into account of their owned safety, colleagues, company’s asset throughout the operation and be well aware of the environment impacts from our operation by reducing the use of energy, protect natural resources and environmental.
 2. All employees must maintain cleanliness and the orderliness of the workplace and improve the operation to suit the environment continuously and consistently.
 3. All employees have the right to voice their opinions on improving the working environment and safety. All employees shall not ignore in the event of any accidents that affect safety and hygiene in the workplace by helping those who are affected quickly and in full capacity and also provide support on finding out the cause and develop preventive measures to prevent repetition of accident.
 4. All employees must strictly comply with the rule of safety, occupational health and environment and may be punished for any breach following to CNS’s rules.
 5. CNS commits to continuously improving safety, occupational health and environment.
 6. The Company will provide proper resources including budget, time, personnel and relevant sources in the implementation according to the safety, occupational health and environment management system.
- CNS defines an IT policy and procedure regarding the copyright and intellectual property regulations. CNS has a rule that all computers must install only license software and all employees are prohibited to copy or distribute such software without a written permission from the software manufacturer.
 - CNS emphasized on the social and environmental treatment in everywhere CNS conducts its business. Please see the further implementation details as described in the section “Corporate Social Responsibility for Sustainability Development”.

- CNS has a policy to respect the rights and benefit of all stakeholders as follows;
 - ➡ **Shareholders:** CNS emphasizes to conduct its business fairly and transparently to create good performance and sustainable growth of its profit to create returns for shareholders.

CNS has a dividend policy at least 60% of its net profit on an annual basis, except for cases when CNS needs more fund for business expansion or other significant activities. However, the dividend payment is subject to the resolutions of shareholders' meeting. Please see further details of shareholders' rights as described in the section "Section 1 Right of Shareholders".
 - ➡ **Clients:** CNS emphasizes to provide its services with client centricity by providing a variety of quality financial and investment products and service upon clients' needs, to create clients' confidence and to keep clients' satisfaction as well as to maintain good relationship with its clients. CNS intentionally treats all clients equitably and fairly and keeps confidentiality of its client's information.
 - ➡ **Employees:** CNS realizes its employees as the most valuable resources bringing the great success to CNS. CNS emphasizes the equitable and fair treatment to its employees and provides appropriate compensation. CNS also provides a clean, good and safe working environment and encourages its employees at all level and all lines to develop in both professional skills and general knowledge for their career progress as well as encourages team spirit.
 - ➡ **Industry:** CNS emphasizes on the equitable and fair treatment to other companies in the industry, conducting its business adhering to designated agreements and agreements by members and competing within the framework of relevant rules, laws and regulations. CNS will kindly cooperate to the industry to improve the efficiency of the Thai capital market.
 - ➡ **Society:** CNS emphasizes on the environmental awareness, social assistance, the religion preservation, the guidelines on anti-bribery and corruption, including activities encouraging its employees to strictly comply with laws and regulations.
 - ➡ **Business partners:** CNS emphasizes on the fair treatment to business partners and maintains good relationship with its business partners.
 - ➡ **Creditors:** CNS emphasizes on the equitable and fair treatment to its creditors. CNS also engages to conduct its business to create its creditors' trust.
 - ➡ **Authorities:** CNS emphasizes on the strict compliance with relevant rules, regulations and laws and the good cooperation with the authorities.

2. Disclosure of Policies and Report of Corporate Social Responsibility for Sustainability Development

CNS publishes its latest relevant key information and policies both in Thai and English for stakeholders' acknowledgement on its website (www.nomuradirect.com) under the menu "Company Profile > Investor Relations > About us" for the convenient access of its stakeholders. CNS also publishes key policies including the Code of Ethics of Nomura Group on its intranet for its employees' acknowledgement and compliance. In addition, CNS publishes key information regulated by the SET both in Thai and English on the SET's website.

CNS conducts the annual employees' affirmation program of the Code of Ethics of Nomura Group through its intranet.

CNS also discloses a report of Corporate social responsibility for sustainability development in the annual report. Please see further details as described in the section "Corporate Social Responsibility for Sustainability Development".

Section 4 Disclosure and Transparency

CNS realizes the importance of the disclosure of its information, both financial and non-financial information, with accuracy, completeness, timeliness and transparency through easy-to-access and fairly accessible channels by all stakeholders.

For the six-months period ended June 30, 2019, CNS published its relevant key information, in compliance with by the SET's and the SEC's guidelines, rules and regulations, both in Thai and English on its website (www.nomuradirect.com) under the menu "Company Profile > Investor Relations > About us", covering the following documents;

- Shareholding structure
- Annual report
- A list of directors and management
- Annual statements (Form 56-1)
- Corporate background
- Vision and Mission
- Business profile
- Good Corporate Governance Policy
- Code of Ethics
- Announcement of Anti-Bribery and Corruption Policy

- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Corporate Social Responsibility for Sustainability Development Policy
- Disclosure of the implementation of the Corporate Social Responsibility for Sustainability Development Policy
- Risk Management Policy
- Company Articles of Association
- Company Memorandum
- Audit Committee Charter
- Roles and responsibilities and Qualification of the Board
- Anti-Money Laundering & Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) Policy
- Connected Transactions Policy
- Supplemental Guideline - Connected Transactions Policy – Amended No. 1
- Quarterly financial statements and management discussion and analysis
- Year-end financial statements and management discussion and analysis
- A notice and minutes of the shareholders' meeting
- Resolutions of the Board of Directors' meeting regarding important agenda items
- A contact of investor relations providing its significant information, answering questions and being a communication channel to communicate with all stakeholders as follows;

Investor relations

Telephone: 0-2638-5840

Facsimile: 0-2285-0970

Email: BKKInvestorRelations@th.nomura.com

CNS also discloses information that might have an impact on shareholders' and investors' decisions as requested by the SET's and the SEC's guidelines, rules and regulations in its annual statements (Form 56-1) and annual report covering the following documents;

- the report of Audit Committee
- the report of the Board of Directors' responsibility for financial statements,
- the independent auditors' report,
- the audit fees and non-audit fees paid to external auditors
- the roles, duties and responsibilities of the Board of Directors and other committees
- a number of the meetings of each committee and the attendance by individual members
- the directors' and management's remuneration both forms and detail of remuneration
- the key financial ratios
- the yearly financial statements and management discussion and analysis

Section 5 Responsibilities of the Board

1. Board structure

CNS's board structure As at June 30, 2019 was as follows;

- CNS had 10 directors being experienced in the variety business sectors including securities business for a long time.
 - ➡ 8 males and 2 females
 - ➡ Consisting of 2 directors from internal management, 4 directors as management representatives from Nomura Group and 4 Independent Directors who comment on the performance of the management independently. CNS had a number of independent directors in line with the SEC's requirement that a number of independent directors must be at least one-third of the total number of directors and at least 3 directors.
 - ➡ Please see further details of each director's qualification, experience, training and development profile as described in the section "Profile of Directors, Management, Controllers, the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO), the person supervising accounting (Chief Accountant) and Company Secretary".
- The Board of Directors agrees that all 4 independent directors' qualification has met the qualification specified by the SEC and the SET and is appropriate for CNS.
- The Board of Directors agrees that a number, proportion and qualification of the Board of Directors as described above has been appropriate considering the size of the Company and balancing of management authority with a wide range of educational background and experience that are benefits for CNS's growth of business.

- The Chairman of the Board of Directors has capability and experience in CNS for a long time although he is not an independent director, but also be the Chairman of the Board of Executive Directors which is not in line with the Good Corporate Governance Policy. CNS has continuously conducted its business in compliance with the Good Corporate Governance Policy as ever. In addition, CNS's management decision is based on the resolution of the Board of Executive Directors (comprising of 4 Executive Directors who are members of the Board of Directors), not only one of Executive Directors. Based on those reasons, it is ensured that the Chairman of the Board of Directors shall perform his role under the resolution of the Board of Executive Directors with transparent, fair, equitable and prudent manner for the utmost benefit to all stakeholders. Each Executive Director has an authority within the scope delegated by the Board of Directors.
- CNS's article of association states that "in each annual general meeting, one-third of the Directors shall retire. If their number is not a multiple of three, the number nearest to one-third numbers must retire from office. The Directors who have been longest in office shall retire. A director retiring by rotation is eligible for re-election."

In the AGM No. 1/2562 held on April 26, 2019, the Board of Directors, exclusive of directors who retired by rotation, considered that there were 3 directors who had to retire by rotation in 2019.

- The Board of Directors considers the effectiveness in performing as CNS's directors as a key factor by carefully considering board positions holding in other firms of each director whether it would affect to their performance as CNS's directors and whether it would lead a conflict of interest or bias in decision making for the best interests of CNS.

For the six-months period ended June 30, 2019, no directors were appointed exceeding 5 board seats in listed companies and no Executive Director was appointed exceeding 2 board seats in listed companies out of the group of the company. Therefore, a number and the nature of business that an individual director holds board positions would not affect their performance as CNS's directors. The individual director can perform their duties with sufficient time.

- The Board of Directors considered that the Company's Independent Director holding the position more than 9 years still expressed opinions and made decisions independently, impartially and objectivity with the best interests of the Company and all shareholders.
- The Board of Directors assigns the company secretary to serve the Board of Directors by preparing a director register, keeping a report of director's and management's interest, coordinating the compliance with Board of Directors' resolutions and performing other tasks as regulated by laws, rules and regulations of the SET, the SEC and other related authorities.

Please see further detail of the company secretary's qualification, experience, training and development profile as described in the section "Company Secretary and the person assigned to take direct responsibility for supervising accounting".

2. Committees

CNS defines committees for the effectiveness of its business as follows;

- Committees
 - (A) Board of Executive Directors
 - (B) Audit Committee
 - (C) Credit Review Committee
 - (D) Marginable Securities Committee
 - (E) Risk Management Committee
 - (F) Anti-Money Laundering Committee
- Each committee has clear scopes of authorities and responsibilities as well as working procedures to perform their duties in good faith with ethics and in the best interests of CNS and shareholders.
- Please see further detail of each committee's meetings as described in the section "Other Good Governance Practices"
- CNS has no Remuneration Committee and Nomination Committee. The Board of Executive Directors performs the function of gathering the information and proposes to the Board of Directors for consideration and approval as follows;

➡ Payment criteria and form of directors' and management's remuneration

The Board of Executive Directors is responsible for gathering the information relating to the payment criteria and form of directors' and management's remuneration and presenting the results of directors' remuneration to the Board of Directors for their consideration and proposal to the shareholders' meeting for approval. The Board of Executive Directors approves management's remuneration. Please see further detail of each committees meeting as described in the section "Directors' and Management's Remuneration".

➡ Nomination of directors and management, selecting qualified candidates

The Board of Executive Directors is responsible for gathering the information and proposes to the Board of Directors to consider and nominate qualified candidates suitable for being directors and propose to the shareholders' meeting for approval.

3. Roles and responsibilities of the Board

- CNS defines clear roles and responsibilities of each committee. Please see further detail of authorities and responsibilities of each committee in the section “Committee”.
- The Board of Directors is responsible to review and approve its mission, vision and core value as proposed by the Board of Executive Directors and continually communicate to directors, managements and staff for their acknowledgement of CNS’s operation plan, reporting of any problems and brainstorming for solutions through the monthly staff meetings and internal communication systems. This is the mechanism to monitor and assess performance of each operating unit to achieve its plan.
- The Board of Directors realizes their roles, duties and responsibilities in encouraging the Good Corporate Governance within CNS to support the growth and sustaining of its business by the management with efficiency and transparency that could bring about stakeholders’ confidence and the best interests to CNS and shareholders as follows;
 - ➡ The Good Corporate Governance Policy is defined. Please see further details in the section “Good Corporate Governance Policy”.
 - ➡ The Anti-Bribery and Corruption Policy is defined. Please see further details in the section “Anti-Bribery and Corruption Policy”.
 - ➡ The Anti-Money Laundering & Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) Policy is defined. Please see further details in the section “Anti-Money Laundering & Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (AML/CTPF) Policy”.
 - ➡ The Code of Ethics of Nomura Group is adopted. Please see further details in the section “Code of Ethics of Nomura Group”.
 - ➡ Compliance Department is assigned to strictly monitor the operation in compliance with the regulators’ rules, regulations and requirements.
- The Board of Directors emphasizes to thoroughly considers any conflicts of interest to prevent connected persons from exploiting their positions for personal interests as follows;
 - ➡ The Connected Transactions Policy and the Supplemental Guideline – Connected Transactions Policy – Amended No. 1 are defined. Please see further detail in the section “Connected Transactions Policy”.
 - ➡ All connected transactions must be made based on the best interests of CNS and must get approved from the Board of Directors or AGM in compliance with the SET’s and the SEC’s rules and regulations.
 - ➡ Directors or management are required to report their shareholding in CNS in the monthly board meetings and when there is a change in order to immediately report their interests as interested directors and connected persons, to be in compliance with the SET’s and

the SEC's regulations, to the board meetings before the consideration of the agendas of connected transactions.

- ➡ Interested directors are not allowed to attend and vote in the agendas of connected transactions except it's necessary to ask for more information from the interested directors and/or connected persons. In such case, the interested directors and connected person can attend but cannot vote for such agendas.
- ➡ For the six-months period ended June 30, 2019, no interested director attended the Board of Directors' meetings in considering the agendas of connected transactions. This non-attendance of interested directors was completely recorded in the minutes of meetings.
- The Board of Directors realizes the importance of the internal control system, including operational and financial report controls, and the compliance of regulators' rules and regulations as follows;
 - ➡ Internal Audit Department, who is independent, is responsible to perform the internal audit to be in compliance with CNS's rules and policies as well as the principle of internal control.
 - ➡ Internal Audit Department shall perform the risk assessment of each operating unit to determine a proper scope, time spending and resources in performing the audit as well as report the audit results to CNS's Audit Committee and Board of Directors.
- The Board of Directors realizes the importance of the risk management as follows;
 - ➡ Risk Management Committee is established to define the Risk Management Policy. Please see further details in the section "Risk Management Policy".
 - ➡ Risk Management Department is established to perform its duties in identifying relevant risks of each operating unit.
 - ➡ The risk assessment of the internal control is required at least once a year.
 - ➡ The Board of Directors provides a recommendation to improve the efficiency and effectiveness of the risk management.
 - ➡ The annual risk assessment result and the recommendation for acceptable risks shall be proposed to the Risk Management Committee for their consideration to propose to the Board of Executive Directors and also to report to the Board of Directors.
 - ➡ The Board of Directors provides opinion of the internal control and risk assessment annually. Please see further detail of the 2018 internal control and risk assessment in the section "Internal Control and Risk Assessment".
- The Board of Directors defines the Whistleblowing Policy, a channel that stakeholders can report their opinions, complaint or issues to CNS within the whistleblowing scopes. Please see further details in the section "Whistleblowing Policy".

For the six-months period ended June 30, 2019, the Board of Directors also conducted the following actions to be in compliance with the Good Corporate Governance Policy;

- Acknowledged the 2018 Board Assessment and Board Self-Assessment on February 22, 2019
- Acknowledged the Audit Committee's comments to the results of 2018 Risk Assessment for Anti-bribery, Fraud and corruption (ABFC) and 2018 Risk Control Self-Assessment (RCSA) on February 22, 2019
- Acknowledged the Affirmation of Code of Ethics of Nomura Group on February 22, 2019
- Acknowledged the 2018 Annual Compliance Report on February 22, 2019
- Acknowledged the 2019 Assessment Result of the Annual General Meeting of Shareholders (AGM) No.1/2562 meeting by Thai Investors Association (TIA) on August 26, 2019

4. Board meetings

For the six-months period ended June 30, 2019, CNS scheduled the board meetings with the following detail;

- CNS scheduled 6 board meetings on monthly basis.
- The Board of Directors shall jointly set tentative board meeting date, time and venue in advance for the whole year to ensure that all directors can attend the meetings.
- Each member of the Board of Directors can freely propose agenda to the Board of Directors' meeting while the Board of Executive Directors jointly with independent director will set the meeting agenda.
- The company secretary shall prepare an invitation letter attached by meeting agendas and meeting documents and send to all directors at least 5 working days in advance of the meeting so that the directors shall have enough time for information study before the meeting.
- Directors can request additional information from the company secretary information under prearranged conditions.
- The Chairman of the Board of Directors can call for extraordinary meeting to consider urgent matter as necessary.
- The Board of Directors shall invite relevant top management of business units to attend the board meetings regarding relevant meeting agendas to present or clarify details on the issues that they are directly responsible for and give the Board of Directors a chance to know more about such top management.

- The Board of Directors invited independent legal advisors from professional consultants to provide the opinions on CNS's court case and booked as its expense.
- The Chairman of the board meetings appropriately allocated the board meeting time for management to complete their presentation and for directors for their comprehensive discussion. He also encouraged creative discussion and careful consideration and decision in all agendas, especially in the agendas or issues concerning Good Corporate Governance for the best interests of CNS.

5. Board self-assessment

The Board of Directors concerns the effectiveness in performing as CNS's directors as a key factor by arranging the assessment of the Board of Directors and individual board members. The Board of Directors shall consider the assessment results of the previous year together and also determine measures to improve their performance in the next year.

CNS defined the following 6 factors for the Board Assessment and Board Self-Assessment for 2019;

- (1) Structure and characteristics of the board
- (2) Roles and responsibilities of the board
- (3) Board meetings
- (4) The board's performance of duties
- (5) Relationship with management
- (6) Self-development of directors and executive development

For the year 2019, the Board Assessment and Board Self-Assessment will be conducted in December 2019.

6. Remuneration

CNS has a policy to define the appropriate and reasonable rate of Directors' and Audit Committee's remuneration in consideration of the following factors; duties and responsibilities of each director, remuneration rate paid by other companies in the same industry, remuneration rate paid by other listed companies in the SET and other related factors.

CNS has a policy to define Management's remuneration of salary, bonus and other benefits based on their duties and responsibilities, performance, and CNS's performance of the previous year, in comparison with their peers' remuneration rate paid by other companies in the same industry, as well as other employees' benefit such as provident fund contributions, group insurance

(life, accidental and medical insurance), staff loan, social security fund contributions and annual medical checkup and etc. Please see further details in the section “Directors’ and Management’s Remuneration”.

7. Board and management training

- CNS encourages and facilitates training and development for its directors and employees at all levels to join trainings and seminars with relevant experts from internal and external as well as reliable institutions e.g. the Thai Institute of Directors, the SET, the SEC, the Federation of Accounting Professions, the Securities Analysts Association and other related units or organizations. CNS also arranges in-house training sessions for its employees, conducted by relevant resources and also invites special experts to be guest speakers.
- CNS has a policy to encourage its directors to attend trainings for their continuous performance development especially on the courses in performing their directorship. For the year of 2019, the 2019 Board training will be conducted in the second half of this year.
- CNS requires Human Resource Department to prepare “Director’s Handbook” for newly appointed directors to use as a guideline and also provides a brief presentation related to its business, service, policy and significant operating procedures which shall help fasten newly appointed directors to understand its business. This Director’s Handbook gathers information about roles, duties and responsibilities of directors and the Board of Directors, practice guideline of director, right and equitable treatment of shareholders and shareholders’ meeting, a director’s handbook of securities companies as well as duties and responsibilities of director and management according to the Securities and Exchange Act. and etc.

For the six-months period ended June 30, 2019, there was a newly appointed director during the year. The Director was completely provided the Director’s Handbook, a brief presentation related to its business, service, policy and significant operating procedures.

9.2 Committees

CNS defines committees for the effectiveness of its business as follows;

- (A) Board of Directors
- (B) Board of Executive Directors
- (C) Audit Committee
- (D) Credit Review Committee
- (E) Marginable Securities Committee
- (F) Risk Management Committee
- (G) Anti-Money Laundering Committee

Each committee has clear scopes of authorities and responsibilities as well as working procedures as follows;

(A) Board of Directors

As at June 30, 2019, for the effectiveness of the board performance, CNS had 10 board members consisting of; 4 Executive Directors, 2 Non-Executive Directors and 4 Independent Directors, as follows;

Director Name	Position	Type of Director
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Executive Director
2. Mr. Katsuya Imanishi	President	Executive Director
3. Mr. Shinya Yokoyama	Executive Director	Executive Director
4. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director
5. Mr. Yuji Hibino	Director	Non-Executive Director
6. Mr. Philip Wing Lun Chow	Director	Non-Executive Director
7. Associate Professor Dr. Danuja Kunpanitchakit ¹	Chairperson of the Audit Committee and Independent Director	Independent Director
8. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Independent Director
9. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Independent Director
10. Dr. Prasit Kanchanasakdichai	Independent Director	Independent Director

Miss Kridsana Kulpanyalert was the secretary of the Board of Directors.

Remark:

¹ The Board of Directors' Meeting No. 3/2562 held on March 15, 2019 resolved to appoint Associate Professor Dr. Danuja Kunpanitchakit to be CNS's Independent Director, as a replacement director of Mr. Nimit Wongjariyakul who resigned from the position of Director and Executive Director with effect from March 7, 2019. Associate Professor Dr. Danuja Kunpanitchakit obtained the SEC approval on April 4, 2019 and the Company registered the change of director with the Ministry of Commerce on April 5, 2019. The Board of Directors' Meeting No. 4/2562 held on April 26, 2019 resolved to appoint her as an audit committee member and the audit committee on the same day unanimously agreed to appoint her as a chairperson of the audit committee.

However, A list of authorized directors signing on behalf of CNS regarding CNS's affidavit

1.	Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors
2.	Mr. Katsuya Imanishi	President
3.	Mr. Shinya Yokoyama	Executive Director
4.	Mrs. Chrisana Sae-Leiw	Executive Director

Any 2 directors of the above list are authorized to sign and bind CNS with CNS's seal.

Authorities and Duties of the Board of Directors

1. To perform their duties with integrity and prudence in the best interests of the Company, in accordance with laws, its objectives and Articles of Association, as well as the resolutions of the shareholders' meetings. The Board of Directors may entrust one or several directors or any other person(s) to perform any tasks for the Board of Directors;
2. To consider, determine, correct or change the directors who have the authority to sign and bind the Company in order to make juristic acts for and on behalf of the Company;
3. To perform their duties in accordance with the principle of good corporate governance as outlined by the SET;
4. To notify, without delay, any members of the Board of Directors of the following cases:
 - 4.1. He/She has either direct or indirect interests in any contract made by the Company during the accounting period. The facts relating to the nature of the contract, the names of the counter parties and the interest (if any) of such director(s) must be specified.
 - 4.2. He/She holds the Company's shares. Either an increase or a decrease in the amount of shares held during the accounting year (if any) must be specified.

Roles, Authorities and Duties of the Chairman of the Board of Directors

1. Call the meeting of the Board of Directors' meeting and sufficiently and timely provide the invitation letter and relevant documents to the Board of Directors.
2. Preside over the Board of Directors' meeting and the shareholders' meeting. Monitor the meeting to be in compliance with CNS's rules.
3. Encourage the standard regarding good corporate governance of the Board of Directors.
4. Perform any duties specified for the Chairman of the Board of Directors as required by law.

Independent Directors

As at June 30, 2019, CNS had 4 Independent Directors, in line with the SEC's requirement that the Independent Directors must be at least one-third of the total directors and not less than 3 persons as follows;

Director Name	Position	Type of Director
1. Associate Professor Dr. Danuja Kunpanitchakit	Chairperson of the Audit Committee and Independent Director	Independent Director
2. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Independent Director
3. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Independent Director
4. Dr. Prasit Kachanasakdichai	Independent Director	Independent Director

(B) Board of Executive Directors

CNS has the management structure in the form of "the Board of Executive Directors". The Board of Executive Directors has ultimate authority in CNS's management (different from CEO structure which has only one person as Managing Director). The Board of Executive Directors consists of 4 Executive Directors, having their authority and roles altogether. An individual Executive Director has no ultimate authority.

As at June 30, 2019, CNS had 4 members of the Board of Executive Directors as follows;

Director Name	Position	Type of Management
1. Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	Chairman of the Board of Executive Directors
2. Mr. Katsuya Imanishi	President	Executive Director
3. Mr. Shinya Yokoyama	Executive Director	Executive Director
4. Mrs. Chrisana Sae-Leiw	Executive Director	Executive Director

Miss Kridsana Kulpanyalert is the secretary of the Board of Executive Directors.

Authorities and Duties of the Board of Executive Directors

1. To operate and oversee the Company's operations as assigned by the Board of Directors, which shall include;
 - 1.1. To set business policies, goals, operating plans, strategies and annual budget in order for the approval of the Board of Directors.
 - 1.2. To govern and ensure that the Company's operations are in accordance with applicable laws, the objectives and article and association of the Company as well as are corresponding with the business policies, goals, operating plans, business strategies and budget that have been approved by the Board of Directors.

- 1.3. To approve the operating expenses that exceed authorized limit of the management under the approval authorities of the Company.
 - 1.4. To approve trading limit for securities trading, credit limit for credit balance/margin accounts and credit limit for securities borrowing and lending accounts as well as to approve other transactions related to securities businesses that exceed the authorized limits of the management under the approval authorities of the Company.
 - 1.5. To approve underwriting transactions and other transactions in relation to investment banking businesses under the approval authorities of the Company.
 - 1.6. To set the organizational structure and management authorities in order to cope with the recruitment, the employment, the remuneration, the transfer, the training and the dismissal of the Company's personnel from the Senior Vice President downwards.
 - 1.7. To sell, transfer or dispose the Company's assets that are unused, out of date or below standard as well as to set the allowance for bad debts, asset impairment and to write off bad debts under the general accepted accounting principles and the recommendations of the Company's auditor.
 - 1.8. To report promptly to the Board of Directors when there occurs any corruption, suspicion of corruption, illegal acts and other unusual acts, which may significantly affect to the reputation and financial status of the company.
 - 1.9. To appoint or assign any person(s) to perform any duties on behalf of the Board of Directors as appropriate where the Board of Directors may at any time terminate such appointment; Provided however that such delegation of duties and responsibilities to the Board of Executive Directors shall not be the delegation or sub-delegation which would enable the Board of Executive Directors and/or their agents to approve any transactions that may result in conflict of interest (as defined by the SEC) except for the normal business transactions which are clearly stipulated.
2. To perform any other duties as may be delegated by the Board of Directors.

(C) Audit Committee

As at June 30, 2019, CNS had 3 members of the Audit Committee who were also the Independent Directors as follows;

Director Name	Position	Type of Director
1. Associate Professor Dr. Danuja Kunpanitchakit	Chairperson of the Audit Committee and Independent Director	Chairperson of the Audit Committee
2. Col. Ruangsub Kovindha	Audit Committee and Independent Director	Audit Committee
3. Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	Audit Committee

Ms. Napalai Suntives, Head of Internal Audit Department, is the secretary of the Audit Committee.

Associate Professor Dr. Danuja Kunpanitchakit is the Audit Committee who has expertise in accounting and reviews the CNS's financial statements with the following experience;

Year	Position	Company
April 26, 2019 to Present	Independent Director and Chairperson of the Audit Committee	Capital Nomura Securities Public Company Limited
2018 to Present	Director of Financial Management Committee	Thai PBS
	Director of Corporate Governance and Social Responsibility Committee	Thai PBS
2017 to Present	Independent Director and Chairperson of the Audit Committee	Vinythai Public Company Limited
	Academic Council Committee	Rajamangala University of Technology Phra Nakhon
	Member of the TFAC Board	Thailand Federation of Accounting Professions under the Royal Patronage of His Majesty the King
	Member of the Financial and Property Committee	Walailak University
	Member of the Audit Subcommittee	Deposit Protection Agency
	Member of the Faculty of Dentistry Board	Chulalongkorn University
2016 to Present	Director of Monitoring and Evaluation Committee	Suranaree University of Technology
2014 to Present	Member of the Audit Committee	Bank of Thailand
2012 to 2017	Independent Director and Member of the Audit Committee	Vinythai Public Company Limited.
2008 to 2016	Vice President (Accounting and Finance)	Chulalongkorn University
2003 to 2007	Dean, Faculty of Commerce and Accountancy	Chulalongkorn University
1998 to 2002	Head of Department of Accountancy, Faculty of Commerce and Accountancy	Chulalongkorn University

Authorities and Duties of the Audit Committee

1. To review the Company's financial reporting that it is accurate and adequate.
2. To review to ensure that the Company has an appropriate and effective internal control system and internal audit including consideration of the independence of the Internal Audit Department as well as to approve the appointment, transfer, and dismissal of the Head of Internal Audit Department.
3. To review with the Company's management to ensure that the Company has an appropriate risk assessment system, risk management and monitoring that risk management.

4. To review to ensure that the Company complies with the law on securities and stock exchange, the regulations of the Stock Exchange of Thailand (SET) and laws relating to the Company's business.
5. To consider, select, and propose to the Board of Directors to appoint a person with appropriate qualifications and independence to be the Company's external auditor, terminate the employment of the external auditor as well as offer remuneration for external auditors.

The Audit Committee shall meet privately with the external auditor at least once a year without the management team being present.

6. To review all fraud risk related to assets misappropriation, corruption and fraudulent financial statements.
7. To consider connected transactions or transactions that may lead to conflicts of interest in accordance with the requirements of the SET as well as other relevant laws and regulations to ensure that these transactions are reasonable and the most benefit to the Company.
8. To prepare the report of the Audit Committee and disclosed in the Company's Annual Report. The report must be signed by the Chairperson of the Audit Committee and must comprise at least the following information:
 - An opinion on the accuracy, completeness and reliability of the Company's financial reports;
 - An opinion on the adequacy of the Company's internal control system;
 - An opinion on the compliance with securities and exchange laws, the regulations of the SET and laws relating to the Company's business;
 - An opinion on the suitability of the external auditor;
 - An opinion on the transactions that may have conflicts of interests;
 - The number of the Audit Committee meetings and the attendance of each member of the Audit Committee;
 - An overall opinion or observation that the Audit Committee received from performing its duties in accordance with the charter; and
 - Other transactions, which according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
9. To inspect or arrange an investigation of any suspicious incidents reported by the Company's external auditor, which involve directors, executives or any person who commits or may be an offense under the Securities and Exchange Act and report the initial investigation results to the Office of the Securities and Exchange Commission (SEC) and the Company's external auditor within 30 days after receiving notification from the external auditor.

In conducting an investigation on any activity within the responsibility, the Audit Committee can request the required information from the employees of the Company or its affiliates or the Company's external auditor as appropriate. All employees of the company are responsible for cooperation when requesting such information. In addition, the Audit Committee can seek advice from external experts in the event that the Audit Committee deems it necessary.

10. To investigate any matters brought to the Audit Committee's attention within the scope of its duties and perform any other act as assigned by the Board of Directors with the consent of the Audit Committee.
11. To ensure the adequacy "whistle-blowing" policies and procedures.
12. In performing the duties of the Audit Committee, if found or suspected that any of the following items or actions may have a significant impact on the Company's financial status and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the time that the Audit Committee deems appropriate.
 - 1) A transaction which causes a conflict of interest;
 - 2) Any fraud, irregularity, or material gap in the internal control system; or
 - 3) An infringement of the law on securities and exchange, the SET's regulations, or any law relating to the Company's business.

If the Company's Board of Directors or management fails to make a rectification within the time mentioned above, any Audit Committee member may report on the above transaction or action to the Office of the SEC or the SET.

13. To review the Company's compliance with private sector's anti-corruption and certification programs, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool.

Audit Committee's Meeting

The Audit Committee's Meetings shall be held at least 4 times a year according to a quarterly report of financial statement. The Chairperson of the Audit Committee may call the additional meeting as necessary.

(D) Credit Review Committee

As at June 30, 2019, Credit Review Committee consisted of the Board of Executive Directors. The Chief Risk Officer (CRO) is the Chairman of the Credit Review Committee. Department Head of Risk Management Department is the secretary of the Credit Review Committee.

Authorities and Duties of the Credit Review Committee

1. To set up the standard practice of account opening credit limits and increasing of credit limits as well as setting up guidelines for consideration of credit limits.
2. To appoint an authorized person approving credit limits for securities trading, as well as considering requested cases which are not stated in the internal guideline.
3. To set measures of credit risk control or consider any other issues relating to the credit facilities including collateral concentration limit.
4. To appoint member of Marginable Securities Committee and term of reference for Marginable Securities Committee.
5. To approve the Marginable Securities List proposed by the Marginable Securities Committee.
6. To approve the list and concentration limits of underlying stocks that the Company allows the customers to trade single stock futures on Block Trade business.
7. To approve non-cash collateral list and concentration limits that the Company allows the customers to place as collateral on TFEX business.
8. To consider monthly interest rates and fees consisting of interest rate for margin loan, interest rate for cash balance, interest rate for block trade including SBL Borrowing fee and SBL Lending fee.
9. To approve the request as stated in the guideline that it requires the approval by the Credit Review Committee.

(E) Marginable Securities Committee

As at June 30, 2019, CNS had 3 members of the Marginable Securities Committee, consisting of;

Position	Type of Director
1. Department Head of Risk Management Department	Chairman and Secretary
2. Executive Director in charge of Operation Division	Committee
3. Department Head of Stock Coverage Analysis Department – Investment Research and Investor Services Division	Committee

Authorities and Duties of the Marginable Securities Committee

1. To consider and determine practices and guidelines for the selection of marginable securities and margin levels suitable for the domestic economy and brokerage business and make proposal to Credit Review Committee.

2. To periodically review Marginable Securities List and initial margin rate based on the assigned and requested basis and propose the reviewed list to Credit Review Committee for their approval.
3. To consider and determine collateral concentration limit suitable for liquidity and risk of each securities.
4. To set measures to manage the risk from collateral concentration.

(F) Risk Management Committee

As at June 30, 2019, CNS had 7 members of the Risk Management Committee, consisting of;

Position	Type of Director
1. Executive Director	Chief Risk Officer
2. Executive Director in charge of Operation Division	Deputy Chief Risk Officer
3. Finance Department/Division Head	Committee
4. Compliance Department Head	Committee
5. Legal Department Head	Committee
6. Risk Management Co-Department Head	Committee
7. Risk Management Co-Department Head	Committee

The Committee can appoint additional member(s) or invite other person(s) with specific knowledge in order to contribute comments appropriately on other aspects relating to risk recommendations and risk treatment.

The Members of the Committee might be replaced as appointed by the Board of Executive Directors. The Board of Executive Directors can also adjust member number as appropriate from time to time.

Authorities and Duties of Risk Management Committee

1. Establishing, enforcing, and reviewing risk management policies.
2. Establishing and Operating risk management processes.
3. Verifying the effectiveness of risk management methods.
4. Reviewing and considering the Risk Assessment results including RCSA and Fraud, Bribery and Corruption risk assessment.
5. Enhancing awareness of Operational risk management.
6. Providing education and training on risk mitigation.
7. Reporting to the Board of Executive Directors and Board of Directors.

(G) Anti-Money Laundering Committee (AMLC)

As at June 30, 2019, CNS had 5 members of the Anti-Money Laundering Committee (AMLC) from 4 divisions with reference to the AMLC board minute No. 5/2019 dated 12 March 2019, consisting of;

Position	Type of Director
1. Executive Director	Member
2. Representatives of Compliance Department	Chairperson and Member
3. Representatives of Legal Department	Member
4. Representatives of Risk Management Department	Member

The Meeting

AMLC meeting will be held at least four times a year. Additional meeting will be held based on the urgent need and the Member's request. Chairperson of AMLC will call the meeting by informing date and time of the meeting to the Member via e-mail.

At least three fourth of the members must be present to form quorum of the meeting.

Authorities and Duties of Anti-Money Laundering Committee (AMLC)

1. To consider the AML/CTPF policy and subordinate policy including procedures development and implementation of Anti-Money Laundering program. All policies and procedures shall be proposed for BOED's approval.
2. To review the AML/CTPF policy including Anti-Money Laundering procedures annually basis.
3. To maintain up to date Anti-Money Laundering Laws and regulations and revised policies from time to time.
4. To consider a suspicious transaction reporting of our clients before sending to Anti-Money Laundering Office (AMLO).
5. To make CNS's standard practice and act in order to prevent and detect money laundering, terrorist financing activities.
6. To set and develop the training for staffs to aware of Anti-Money Laundering Laws. Training for all staffs relating to Anti-Money Laundering Laws will be held annually basis.

9.3 Nomination of Directors and the Management

(1) Directors

The Board of Directors shall select persons with suitable knowledge and attributes to become CNS's director by recommending such persons for nomination to a shareholders' meeting for approval in accordance with the following rules and procedures:

1. Each shareholder shall have votes equal to the number of shares held;
2. In choosing the directors, the method of voting used may be to vote on candidate by candidate or several candidates together, whichever the shareholders' meeting finds appropriate, but in voting to pass a resolution, the shareholders shall vote using all the votes under (1) which cannot be divided for any particular candidates or group to any extent at all.
3. Voting for election of the directors shall base on the majority of votes. In the case of equality of votes, the presiding chairman shall have an additional casting vote.

Appointing Replacement Director

- (1) In case there is a vacancy on the member of the Board of Directors other than from the normal rotation, the Board of Directors shall choose any person who is qualified and not prohibited by law as a replacement director in the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than 2 months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. Also, the resolution to appoint a replacement director mentioned above must receive at least 3/4 of the total votes by the remaining directors.
- (2) In case all of the directors vacate their office, the incumbent Board of Directors shall become an acting Board to carry on CNS's business but only to the extent that is necessary, until a new member of the Board of Directors has taken up its duties unless the Court orders otherwise. In case the member of the Board of Directors has vacated the office by the Court order, the Board that has vacated the office must convene a shareholders' meeting to elect a new member of the Board of Directors within 1 month from the date of vacating the office, by sending a notice to inform shareholders of the meeting at least 14 days prior to the meeting date.
- (3) In case there are vacancies to the extent that the number of remaining directors is less than the number required to constitute a quorum, the remaining directors shall act in the name of the Board of Directors only for convening a shareholders' meeting to elect replacement directors for all the vacancies. The meeting shall be convened within 1 month from the date the number of directors was reduced to less than the number required to constitute a quorum, and the replacement directors shall hold the office only for the remaining terms of the directors whom they replace.

Independent Director

CNS has the definition of Independent Directors which are in line with the minimum requirements of the SEC and the SET Office regarding number and qualification of the Independent Directors.

- (1) CNS shall have Independent Directors at least one third of the board size, and in any cases, the number shall not be fewer than three.
- (2) Each Independent Director shall have the below qualifications.
 1. holding no more than one percent of the total voting shares of the Company, its parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director.
 2. not being or having been an executive director, employee, staff, advisor earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least two years prior to the date of filing the application with the SEC Office. In this regard, such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company.
 3. not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
 4. not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least two years prior to the date of filing the application with the SEC Office.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the

indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person.

5. not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application with the SEC Office.
6. not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application with the SEC Office.
7. not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder.
8. not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary.
9. not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company.

(2) Executive of Directors

The Board of Directors has a full authority to appoint directors to be Executive Directors.

(3) Audit Committee

The Board of Directors or shareholder's meeting shall appoint members of Audit Committee. The Audit Committee must be CNS's director.

CNS's Audit Committee shall consist of at least 3 Audit Committee members. CNS's criteria of the Audit Committee are similar to the requirements of the SEC and the SET as follows.

1. The Board of Directors or shareholder's meeting shall appoint members of Audit Committee.
2. An Audit Committee member must be an Independent Director and possess qualifications as prescribed by the SEC and the SET and;
 - (1) not being a director who is authorized by the Board of Directors to make decision in carrying out businesses of CNS, its parent company, its subsidiary, its affiliate or other juristic person which may have conflicts of interest and;
 - (2) not being CNS's director, its parent company, its subsidiary, or a subsidiary in the same level, which are listed company.
3. The Audit Committee shall perform duties as stated in the SET's Notification re; Qualifications and Scope of Work of the Audit Committee.
4. The members of Audit Committee shall be capable of performing Audit Committee duties. At least 1 member must have sufficient knowledge and experience to review the reliability of financial statements.

(4) Executives

The Board of Executive Directors had an authority to select and appoint suitable persons to be the executives.

(5) Number of directors from Major Shareholders

As at June 30, 2019, CNS had 4 directors who were representatives of Nomura Group, the major shareholder, as the followings;

Director Name	Position	Type of Director
1. Mr. Katsuya Imanishi	President	Executive Director
2. Mr. Shinya Yokoyama	Executive Director	Executive Director
3. Mr. Yuji Hibino	Director	Non-Executive Director
4. Mr. Philip Wing Lun Chow	Director	Non-Executive Director

9.4 Supervision over Performance of Subsidiaries and Affiliated Companies

CNS had neither subsidiaries nor affiliated companies.

9.5 Monitoring the Usage and the Accessibility of Inside Information

CNS defines the policy on inside information and discloses to its employees, management and directors for their acknowledgement.

CNS discloses such policy in its intranet for all employees to study and understand. CNS also emphasizes all employees to realize and comply with such policy by regularly providing them trainings and e-mail reminders.

In case any employees are found of breaching such rule, CNS will further investigate and impose the control measurement to ensure there will be no misconduct or breaching such the rules.

For the compliance monitoring for the first half of 2019, there was no trading transaction of CNS's Directors and Management by using insider information for abusive self-dealing.

Policy on Inside Information

CNS has the policy to prevent staff and all executives from using the inside information or information obtained from the duties for their own benefits by applying the following control measures:

1. Staff is required to open trading account only at CNS. For Thai securities, CNS allows for opening such in cash account and for lending the staff's securities. For foreign securities, CNS allows all staff except the Board of Executive Directors, staff in the Compliance Department and staff in the Investment Banking (IB) Division, for opening foreign securities trading account in Cash Balance - FI account. For Debt Instruments Account, staff can open Debt Instruments Account either at the company or at other securities companies.
2. All Staff is required to submit the trading transaction report of their related persons to the Compliance Department upon request.
3. All executives must prepare and disclose report of CNS securities holding to the Board of Directors.
4. All Staff is prohibited from trading CNS share 45 days after closing of quarterly financial statement. The directors are also not allowed to trade CNS share from the date of receiving supporting documents of Board of Directors' meeting for acknowledgment of quarterly or monthly financial statements, to the date of announcing financial statement to public.

5. All Staff is prohibited from trading the securities of the Nomura Holdings, Inc. (“NHI share”) including the securities which are prohibited by Nomura Group.
6. Any selling share must be held for a minimum of 30 calendar days after purchase or acquisition.
7. All Staff is prohibited from securities/bonds subscription which CNS is on the process to provide services such as financial advisor, underwriter, debt securities issuer and dealer services, although it's non-listed products.
8. All Staff and other related persons who involved in CNS's business are prohibited from trading the securities and bonds by knowing or supposed to know that CNS's analysts are on the process to release analyst reports such as company visiting or planning to publish the research of the securities or bonds.
9. All Staff and other related persons who involved in CNS's business are prohibited from insider trading, whether he/she is in the department which possess that information or not.
10. Monitoring of the access or use of inside information is under the responsibility of the Compliance Department.

Enforcement

Trading securities for one's own benefit by using inside information is a breach of the above policy and CNS will take disciplinary action against all parties involved.

“Staff” means all full-time staff, all temporary staff whose contract not less than 3 months, and full-time directors.

9.6 Auditor Remuneration

(1) Audit Fee

CNS rendered the audit services from EY Office Limited, having the audit services fee for the fiscal year 2019 in total of Baht 1,600,000 and the services fee for a review of accounting impacts assessment as made by CNS for TFRS9 adoption to the balance as at December 31, 2019 in total of Baht 350,000 - 400,000. The total amount is approximately Baht 2,000,000. (Remark: CNS had no subsidiaries.)

For the six-months period ended June 30, 2019, CNS has already paid the audit services fee in total of Baht 352,978.

(2) Non-Audit Fee

CNS hasn't rendered any other services from EY Office Limited during the six-months period ended June 30, 2019.

9.7 The Implementation of CNS on the Corporate Governance Code for Listed Companies 2017

The Board of Directors considered and adopted the Corporate Governance Code for listed companies 2017 aligning with CNS's context and business annually. The Board of directors shall report the CNS's practices in compliance with the Good Corporate Governance Policy and the result of the review at least once a year to ensure that the Board of Directors, managements and employee acknowledged and practiced for adding the CNS's long-term sustainable value creation, not only building investors' confidence.

On December 14, 2018, CNS Good Corporate Governance Policy 2019 was reviewed and approved by the Board of Directors in compliance with the Corporate Governance Code for listed companies 2017 and aligning with CNS's business. However, CNS is now reviewing the policy and plan to complete during the 2nd half of 2019.

9.8 Other Good Governance Practices

Number of the Audit Committee's Meetings and the Attendance by Individual Members for the six-months period ended June 30, 2019

Director Name	Type of Director	Number of Meetings/Attendance
1. Mrs. Wattanee Phanachet ¹	Chairperson of the Audit Committee	2/1
2. Associate Professor Dr. Danuja Kunpanitchakit ²	Chairperson of the Audit Committee	2/1
3. Col. Ruangsub Kovindha	Audit Committee	2/2
4. Mr. Prasert Virasathienpornkul	Audit Committee	2/2

Remark:

¹ Mrs. Wattanee Phanachet has retired by rotation from the position of Chairperson of the Audit Committee and Independent Director due to the expiration of the term and the fact that she does not wish to be re-elected to serve as a director. The effective date was April 26, 2019.

² In addition, the Board of Directors Meeting No. 4/2562 dated April 26, 2019 has appointed Associate Professor Dr. Danuja Kunpanitchakit as a member of the Audit Committee. The Audit Committee unanimously agreed to appoint Associate Professor Dr. Danuja Kunpanitchakit to be the Chairperson of the Audit Committee in replacement of Mrs. Wattanee Phanachet, effective from April 26, 2019 onwards.

Number of issues considered by the Credit Review Committee and the Issues considered by Individual Members for the six-months period ended June 30, 2019

Name	Type of Director	Number of Meetings/Issue Considered
1. Mr. Shinya Yokoyama	Chairman	151/147
2. Mr. Suthep Peetakanont	Committee	151/145
3. Mr. Katsuya Imanishi	Committee	151/142
4. Mrs. Chrisana Sae-Leiw	Committee	151/134
5. Mr. Nimit Wongjariyakul ¹	Committee	151/29

¹ Mr. Nimit Wongjariyakul resigned from the position of director, executive director and authorized director signing on behalf of CNS with effect from March 7, 2019.

Number of the Marginable Securities Committee's Meetings and the Attendance by Individual Members for the six-months period ended June 30, 2019

Position	Type of Director	Number of Meetings/Attendance
1. Co-Department Head of Risk Management Department	Chairman and Secretary	1/1
2. Executive Director in charge of Operation Division	Committee	1/1
3. Department Head of Stock Coverage Analysis Department – Investment Research and Investor Services Division	Committee	1/1

Number of the Risk Management Committee's Meetings and the Attendance by Individual Members for the six-months period ended June 30, 2019

Position	Type of Director	Number of Meetings/Attendance
1. Executive Director - Risk Management Department	Chief Risk Officer ("CRO")	3/2
2. Executive Director - Operation Division	Deputy Chief Risk Officer	3/3
3. Finance Department/Division Head	Committee	3/3
4. Compliance Department Head	Committee	3/3
5. Legal Department Head	Committee	3/2
6. Risk Management Co-Department Head	Committee	3/3
7. Risk Management Co-Department Head	Committee	3/3

Number of the Anti-Money Laundering Committee's Meetings and the Attendance by Individual Members for the six-months period ended June 30, 2019

Position	Type of Director	Number of Meetings/Attendance
1. Executive Director	Member	9/7
2. Representatives of Compliance Department	Chairperson and Member	9/9
3. Representatives of Legal Department	Member	9/6
4. Representatives of Risk Management Department	Member	9/9

10. Corporate Social Responsibility for Sustainability Development

Corporate Social Responsibility for Sustainability Development Capital Nomura Securities Public Company Limited

Capital Nomura Securities Public Company Limited (“the Company” or “CNS”) realizes the importance of conducting its business with integrity and transparency, the importance of economy as it is a fundamental factor for the achievement in the business growth, as well as the concern in social and environment responsibility. All of which will truly lead to sustainable development.

CNS has a policy to run its business in compliance with the Corporate Social Responsibility for Sustainability Development by following 8 principles regarding the guideline set by the Stock Exchange of Thailand (“the SET”) as follows;

8 Principles of Corporate Social Responsibility

1. Business Ethics Awareness

CNS has a commitment to conduct its business with ethics and transparency. CNS follows the principles of Good Corporate Governance as guidelines to be in compliance with relevant laws, rules and regulations and to conduct its business with ethics. CNS also fairly considers all stakeholders’ benefits.

CNS realizes the importance of conducting its business with ethics as it shall create stakeholders’ trust which will create long-term benefits to CNS and sustainable development. CNS shall encourage activities regarding the fair competition law as well as cooperate with authorities.

CNS considers conducting its business fairly and justly with integrity and also concerns co-benefits with clients, shareholders and stakeholders throughout the business chain. CNS shall not conduct its business to acquire any unfair benefits to be in compliance with the principles of Good Corporate Governance and the international standard.

2. Anti-Bribery and Corruption Policy

CNS formulates the written “Anti-Bribery and Corruption Policy” as an apparent guideline in conducting business for sustainable development and as a part of CNS’s Code of Ethics. CNS’s directors, management and employees including agents acting on behalf of CNS must strictly comply with the Anti-Corruption Policy.

CNS shall review the Anti-Bribery and Corruption Policy annually to ensure its alignment with the changes of business, rules, regulations and legal requirements. CNS also conducts an annual training to share knowledge and understanding on the guidelines with efficiency and transparency which are able to create stakeholders' trust and utmost benefits for CNS, employees and shareholders.

3. Human Rights

CNS has a policy to respect human rights of individuals and sets its guidelines as follows:

- Non-Discrimination: CNS realizes the importance of human dignity, rights and liberty. CNS shall not discriminate people on the basis of gender, race, religion, society, nationality, economic or social status.
- CNS sets its policies and guidelines with regard to human rights of individuals.
- CNS has a guideline for investigating the fact in case the action of the violation in human rights is found. CNS shall perform to cease such action and find out the preventive action for the violation in human rights incurred in CNS.

4. Fairness and Labor Practices

CNS has a policy to conduct its business with fairness and in compliance with Labor law by the following guidelines.

- (1) Labor Practices: CNS shall not employ forced labors or child labors and shall prohibit a person who is under 18 years old to perform or work in a hazardous place.
- (2) Compensation and fringe benefits: CNS shall pay wage, compensation and fringe benefits to staffs in compliance with labor law with fairness and accuracy.
- (3) Equal Treatment: CNS shall treat its employees equally and comply with labor law which is the minimum standard for the following areas; hiring, wages, training, promotion, termination of employment, and lay off.
- (4) Humanity: CNS respects employee's rights and liberty and prohibits any actions that cause harm to employees neither physically nor psychologically including threats of any kind.

5. Client Responsibility

CNS conducts its business with integrity and code of ethics, which are the most importance in conducting securities business, to create clients' and stakeholders' trust as well as its sustainable growth.

CNS focuses on its services with the "Customer Centricity" principle by providing high-quality, innovative and full scope of financial and investment products and services to all levels of clients in order to meet a variety of client's needs. CNS also focuses on innovative products and services to enhance its operational effectiveness. CNS continuously conducts promotion and marketing campaign to provide benefits adhering to clients' needs.

CNS aims to create mutual benefits to clients and continues to develop its financial and investment products and services regarding the international standards under the principles of clients' satisfaction as follows;

(1) Recognition and Understanding of Clients' Needs

With "Customer Centricity Principles", CNS concerns its clients' needs as priority. CNS requires clients to do the Suitability Test to know its clients and for the benefit in providing clients suitable investment advices for their decision making and risk appetite.

(2) Human Resources Development

- CNS has a policy to recruit competent and experienced people to match with their working positions. However, CNS also has a policy to develop inexperienced talents to be trained and developed to be qualified financial advisors for their service in providing appropriate investment advices to clients.
- CNS has a policy to develop employees' competencies and skills by providing employees trainings for their working knowledge and own benefits. CNS also provides financial advisors trainings of financial and investment products and services regularly for the benefit of their investment advices to clients.
- CNS targets all employees to possess high standard of knowledge and professional capability in order to provide competent services to its clients for the best interests of clients, shareholders and stakeholders.

(3) Financial and Investment Products and Services Innovation

- CNS has a policy to provide financial advisors as well as clients opportunities to meet top management of listed companies in the SET to obtain information and query from top management of listed companies to supports their investment

decisions. Meanwhile, listed companies are able to share their history and information to investors.

- CNS has a policy to regularly provide clients financial and investment knowledge through its seminars to develop clients' potential. CNS also has a policy to promptly communicate information and news having the impacts to clients.
- CNS has a policy to provide accurate research papers to meet investors' needs.
- CNS has a policy to provide clients a variety of investment tools to support clients' smooth investment execution.

(4) Business Ethics Awareness

- CNS has a policy to provide clients only reliable, transparent and accurate information, both in written and verbally on behalf of CNS.
- CNS has a policy to comply with the requirements of the Office of Securities and Exchange Commission (the SEC), The Stock Exchange of Thailand (the SET) and Association of Securities Companies (ASCO).
- CNS has a policy to considerately examine products, services, and communication media launched by CNS to ensure that CNS provides service standard, for the best interests of clients, with the alignment of the principles of Good Corporate Governance and the international principles as well as relevant rules, regulations and law.
- CNS has a policy to keep clients' information confidential. Access to clients' information is restricted and limited to only the certain responsible department.
- CNS conducts its business with clients with fairness and integrity and has a policy to be in compliance with the requirements and conditions stated in the agreement and relevant rules and regulations.

(5) Communication between CNS and Clients

- CNS has a policy to regularly communicate with clients through several channels based on clients' needs for their acknowledgement of reliable and updated information as well as their rights and benefits provided by CNS.
- CNS has a policy to perform hearings to clients' comments and complaints.

6. Environmental Responsibility

CNS has a clear policy concerning environmental and social responsibility by the following guidelines;

- (1) Strictly follow rules and regulation about environment by developing operation standard to conform to environmental regulation.
- (2) Support green products and services having no impact to environment and people health.
- (3) Focus on the safety, occupational health and environment.
- (4) Focus on the importance of saving the global resources by using emails for internal communication and communication between CNS and clients. CNS also encourages clients to use e-dividend and e-confirmation services which helps facilitate delivering messages to clients. Clients can timely get dividend and obtain their investment information, without losing their documents, as well as save their resources to go to banks.
- (5) Develop management policy and create an organization culture concerning environmental care by saving resources and energy (Reduce and Reuse).

7. Corporate Social Responsibility

CNS aims to conduct its business with Corporate Social Responsibility (CSR), adhering to business ethics and the principles of Good Corporate Governance. CNS's employees of all levels are continuously encouraged to participate in CNS's activities concerning CSR as well as to have a caring mindset of social responsibility.

CNS has a policy to promote social activities in several opportunities, aiming to create supreme benefits to conduct creative activities for society, community as well as several organizations. CNS also aims to be a part of society to sustainably strengthen Thai fundamental society.

8. Innovation from Social and Environment Responsibility Activity

CNS has a policy to create, develop and enhance its strength and capabilities as well as promote the vision in being a leading innovative securities firm. CNS also has a policy to improve and develop its operations and information technology systems to provide high-quality services to meet clients' needs. CNS focuses on the importance on the allocation and management of the information technology resources, which also covers the resource allocation for the business operation.

Disclosure of the Implementation of CNS on the Corporate Social Responsibility for Sustainability Development

For the six-months period ended June 30, 2019, there were key activities following 8 principles regarding the guideline social responsibility set by the SET as follows;

1. Business Ethics Awareness

In addition, CNS participated in the “Nomura Founding Principles and Corporate Ethics Day” event on August 3rd of every year to remind employees to be aware of Nomura Group’s culture and founding principles regarding the business principles since the establishment day and lesson learned from the past mistakes, with the aim to detect any mistakes similar to the past 90 years of Nomura Group’s operation. 100% of total number of employees as of August 8, 2019 participated in this event.

2. Anti-Bribery and Corruption Policy

In 2015, CNS became a CAC-Certified Company, a full member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on July 10, 2015. CNS has also been certified to renew the Company’s status of CAC certification for another 3 years from the resolution date since May 17, 2018.

CNS has announced the Anti-Bribery and Corruption Policy in 2017 and defined to be reviewed annually. For the year of 2019, it has been in the process of being reviewing to assure the up to date of the policy. CNS also arranged an annual training for all employees’ acknowledgement and understanding of the policy.

Please see further details in the section “Anti-Bribery Corruption Policy”

3. Human Rights

For the six-months period ended June 30, 2019 operations, CNS had no breaching action on human rights, fundamental rights and freedoms of individuals or discriminations to all employees at all level and also all individuals contacted with CNS.

4. Fairness and Labor Practices

For the six-months period ended June 30, 2019 operations, CNS treated all employees as a policy to conduct its business with fairness and in compliance with Labor law as follows.

- CNS did not employ forced labors or child labors and also prohibited a person who is under 18 years old to perform or work in a hazardous place.
- CNS paid wage, compensation and fringe benefits to staffs in compliance with labor law with fairness and accuracy.
- CNS treated its employees equally and comply with labor law which is the minimum standard for the following areas; hiring, wages, training, promotion, termination of employment, and lay off.
- CNS respected employee's rights and liberty and prohibits any actions that cause harm to employees neither physically nor psychologically including threats of any kind.

5. Client Responsibility

For the six-months period ended June 30, 2019, CNS aimed to create mutual benefits to clients and continues to develop its financial and investment products and services regarding the international standards by arranging the following key operations;

(1) Recognition and understanding of clients' needs

CNS requires clients to do the Suitability Test and also provides the criteria of each product related with the clients' risk appetite for the benefit of CNS's financial advisors in providing clients suitable investment advices leading to their decision making, aligning with their risk appetite.

(2) Human resources development

- CNS recruited competent and experienced people to match with their working positions.
- CNS developed inexperienced talents through "Young Talent Financial Advisor" Program to be qualified financial advisors by providing them relevant trainings. For the six-months period ended June 30, 2019, there were 2 newly recruited and trained.
- CNS continually promoted the employee development in both professional knowledge in various fields and general knowledge as well as a variety of skills. CNS focuses to develop all employees at all levels and lines appropriate for enhancing their potential in relation to their positions by providing training and seminars by experienced and competent internal and external speakers, such as legal knowledge, regulatory compliance, financial and accounting standards, consultative selling skills, securities analysis, information technology standards and ISO standard and etc. The development also includes management capabilities to empower all employees to

efficiently and effectively respond to CNS's strategies and goals to support the future growth of CNS.

CNS develops all employees by providing core training courses so that employees can well perform in line with corporate culture such as new employee orientation, trainings of product and service knowledge, systems and applications. CNS also provides trainings to support employees to attain professional qualifications in the securities business such as Investment Consultant (IC) Investment Planner (IP) licenses and etc.

CNS has a variety of approaches to develop employees such as encouraging employees to gain their knowledge through several channels; CNS's intranet, Facebook Page: Nomura Direct, Line Official: @NomuraDirect, the experiences' video training, supervisors' coaching, on-the-job training, domestic and overseas company visit, knowledge sharing among colleagues as well as learning among management and staff.

For the six-months period ended June 30, 2019, CNS encouraged employees to attend trainings for their knowledge and skill development in total of 62 courses with 661 hours, with the half-year average employee training hour at approximately 2.23 hours per headcount. The total employee development costs were Baht 319,234.84.

(3) Financial and investment products and services innovation

- CNS arranged the CNS Corporate Access program, where clients, investors, analysts and financial advisors (FAs) to directly meet top management of the companies listed on the SET and the MAI and obtain information on or ask about the management's outlook as encouraged, supported and gave the quality information including of financial and investment literacy to the investors and FAs which the feedback was satisfied.

For the six-months period ended June 30, 2019, total 3 companies in SET participated in this program.

- CNS arranged 19 trainings and seminars in total, with more than 750 participants, to provide clients financial and investment information and knowledges by internal and external experts covering equity, derivatives and mutual funds on monthly, for clients' development and literacy. CNS also timely communicates to clients about their relevant investment information.
- CNS provides research papers to meet clients' needs and is aware of the information accuracy.
- CNS provides clients a variety of investment tools for clients' continuous trading.

(4) Business ethics awareness

- CNS provides clients only reliable, transparent and accurate information, both in written and verbally on behalf of CNS.
- CNS complies with the requirements of the SEC and the SET.
- CNS considerably examines products, services, and communication media launched by CNS to ensure that CNS provides service standard, for the best interests of clients, with the alignment of the principles of Good Corporate Governance and the international principles as well as relevant rules, regulations and law.
- CNS keeps clients' information confidential. Access to clients' information is restricted and limited to only the certain responsible persons (Need to know basis).
- CNS conducts its business with clients with fairness and integrity and complies with the requirements and conditions stated in the agreement and relevant rules and regulations.

(5) Communication between CNS and clients

- CNS continually communicates with clients through its website (www.nomuradirect.com), e-mail and monthly newsletter to provide information, news, its seminar, trading application improvement as well as reminders of clients' right and benefits provided by CNS and their securities. CNS also communicated with clients through social media such as Facebook, Line@, a freeware application to disseminate the investment review from CNS analysts and also promoted company's product, service, news, seminar and activities.
- CNS performs hearings to clients' comments and complaints.

6. Environmental Responsibility

- CNS strictly follows rules and regulation about environment by developing operation standard to conform to environmental regulation.
- CNS supports green products and services having no impact to environment and people health.
- CNS participated in "Earth Hour Project 2019" by encouraging its employees to turn off the light and electrical appliances for 1 hour during 8.30 p.m. - 9.30 p.m. on March 29, 2019 to create environmental care in correspondent to other countries. CNS also invited all staffs to donate for the hydroponic vegetable planted by disabled persons.

- CNS has provided the safety, occupational health and environment in every area that CNS conducts its business, such as installing ventilating fan in the copying machine area, always providing safe water purifiers for drinking and etc.
- CNS continually communicate with its clients via Social Media for published CNS's investment researches, including the products and services' marketing, news and activities in replacement of printing.
- CNS focused on the importance of reducing paper usage to save the global resources by using emails for internal communication and communication between CNS and clients. CNS encourages clients to use e-dividend and e-confirmation services to reduce paper usage, which not only helps save resources but also facilitate delivering messages to clients. Clients can timely get dividend and their investment information as well as save their resources to go to banks. Such procedures not only help save the global resources but also CNS's expenses.
- CNS realized the important of the climate change and the environmental problem, which may effect to business operating and daily life. Hence, the Company continue the 2nd year of the CNS green meeting project. The project incorporated environmental considerations throughout all stages of the meeting in order to minimize the negative impact on the environment for sustainable development by using CNS Convention Center as the model.

7. Corporate Social Responsibility

For the six-months period ended June 30, 2019, CNS participated in corporate social responsibility through the following key activities;

Educational Activities

CNS believes that the education is a foundation for the country's development and success. Also, realizes the importance of the education in financial and investment plan to help people in planning their future for their quality life after retirement.

For the six-months period ended June 30, 2019, CNS initiated the activities as the following;

- **Nomura Provincial Investment Classroom Roadshow in Khonkaen**

CNS cooperated with the Stock Exchange of Thailand (SET) and the Association of Thai Securities Company service at the event "Provincial Investment Classroom Khonkaen 2019" to introduce financial product and service especially stocks and mutual funds to the investors. The event was held on April 27, 2019 at Faculty of

Business Administrator and Accountancy, Khonkaen University. There were 100 participants attending the seminar.

- **NOMURA Wealth Seminar 2019**

CNS joins hand with the leading asset management companies consisting of Kasikorn asset management, TMB asset management, Principle asset management, KRUNGSRI asset management to organize the NOMURA Wealth Seminar 2019 topic “2H19 Investment Seminar Expense Reimbursement Wealth”. NOMURA lead by Mr. Chetan Seth, Analysis from Nomura Asia ex Japan and fund managers from each of 4 asset managements to present about the investment knowledge and the investment strategies for the second half year of 2019 to clients. The event was held on June 26th, 2019 at Chadra Ballroom, Siam Kempinski Hotel Bangkok and there were approximately 100 participants attended.

- **CNS Corporate Access**

This program has been held since 2016, allowing clients, investors, analysts and FAs to directly meet top management of the companies listed on the SET and obtain information on or ask about the management’s outlook. For the six-months period ended June 30, 2019, total 3 companies in SET participated in this program.

- **NOMURA Wealth Access**

CNS organized the “Nomura Wealth Access” seminar and broadcast via Facebook Live by inviting Experts from the AMC to educate clients and FAs in mutual funds on a monthly basis. For the six-months period ended June 30, 2019 there are 6 companies participated in this programme.

- **Investment Knowledge Sharing Program**

CNS produced and broadcast the Investment knowledge videos to be shared via social media. The purpose is to provide company product and service knowledge for the new and general investors as follow;

- Ru Rob Rueng Long Toon, an investment talk show, is to provide general information of the company’s product. There have been 4 EPs for the first half of 2019.
- Pak Mood Pra Den Ron, updated investment trend and news share through online channel which affects the investment. There have been 7 EPs for the first half of 2019.

Social Activities

CNS realizes the importance of promoting the employees' roles in participation of social activities. CNS aims to encourage all employees to apparently realize CSR in public. Also, it can build relationship between employees for their unity and co-goal in the workplace.

For the six-months period ended June 30, 2019, employees and CNS jointly participated in the following activities;

- **Supporting the disables**

CNS has realized that the disabled are not a burden of society, but they are one of the potential persons who can drive benefits for society, economy and country. Therefore, the Company has provided support to disabled people to be able to take care of themselves and their families as well as to encourage their human right, equality and create the good attitude toward them.

- **Singhakao Challenge Run 2019**

CNS joined charity run for Chiang Mai impoverished children, "Singhakao Challenge Run 2019", organized by Chiang Mai University Political and Public Administration Association. CNS donate THB 100,000 to support the campaign. The event was held on March 10th, 2019 at Sala Ang Kaew, Chiang Mai University and support social wellness by exercise.

8. Innovation from Social and Environment Responsibility Activity

- CNS provides the following online trading applications to cover clients' investment needs which will partially help clients save their transportation time, energy consumptions as well as reduce global warming. This also provides equitable channels for clients to access the service and information nationwide and worldwide.
 - ➡ eFin Trade Plus trading application on personal computers and mobile devices
 - ➡ Streaming trading application on personal computers and mobile devices
 - ➡ SBL Real Time trading application via Internet Web Browser and mobile devices
 - ➡ Nomura iFund trading application on personal computers and mobile devices
 - ➡ Nomura iWealth application as an investment planning tools via Internet Web Browser and mobile devices
 - ➡ Nomura iGlobal trading application on personal computers
- CNS defines the single password to facilitate clients. Clients can use the single password to log in CNS's online trading applications.

11. Internal Control and Risk Assessment

11.1 Summary of the Overviews of the Internal Control and Risk Management

CNS encourages the importance of good corporate governance by promoting and supporting all departments to have effective internal control and risk management to comply with the relevant laws and regulations. The annual self- risk assessment is conducted regularly to provide adequate internal control on the corruption risk and in line with the standard risk framework. The evaluation of the adequacy and effectiveness of internal control aligns with the five components of Internal Control – Integrated framework released by COSO (The Committee of Sponsoring Organization of the Treadway Commission) as follows:

Control Environment

CNS encourages directors, managements and all employees of the organization to recognize the importance of internal control. An organizational structure that allows management and implementation of internal controls is effectively monitored. In addition, Internal Audit Department is an independent activity and directly reports to the Audit Committee. The Company established a Risk Management Committee (RMC) to support internal control as well as risk management. The Company's "Code of Ethics" is documented to ensure that the management and all employees comply strictly.

CNS emphasizes on human resources by recruiting competent knowledge and skill employees, as well as checking on employees' records. Furthermore, ethics and integrity training is provided to the staff through orientation and annual training. CNS also ensures that the segregation of duties for a maker and checker processes exist. The Company is committed to developing a stronger, more inclusive and effective internal control to be consistent with the changing environment.

Risk Assessment

To ensure that the risk management system has been improved and developed to be able to manage the risk effectively and continuously, CNS assigns Risk Management Department to facilitate in conducting its annual Risk and Control Self-Assessment (RCSA) to ensure that all staff are aware of the risks and importance of internal controls. The process creates a good corporate culture and participation in corporate governance. Each department is responsible for assessing and identifying risks which may occur during day-to-day activities. In addition, the control measures need to be improved to ensure effective and timely management and control of risks. Risk Management Department presents the results of the RCSA to the Risk Management Committee (RMC) for consideration and approval prior to submission to the Audit Committee and the Board of Directors, respectively.

Control Activities

CNS has clearly defined the scope of authority in approval limit and authority of each level of management. The Company implemented the “Segregation of Duties” concept by establishing an independent function from the Front office to be able to monitor and counterbalance each other. There are clear measure and process for managing risks of margin loan business such as criteria for selecting marginable securities, initial margin requirement, collateral and concentration limit control, prohibition of loan to buy high risk securities, etc. The Company has set up measures to ensure that the Company's access to information is secure, appropriately accessible for its operations and adequately controlled.

The Company has a policy to regulate the Company's operations in accordance with the relevant laws. The business contracts or agreements of the Company are reviewed by the Legal Department to minimize the risk of transactions and contracts and maintain the reputation of the Company. In addition, CNS established the “Business Contingency Plan” (BCP) policy and procedure that is reviewed and tested on a regular basis to prepare for unexpected events such as natural disaster and other serious crisis that impact the operation to ensure the continuous business operation.

Information and Communication

CNS has established an information technology system to support the management of operational information and to use it for decision-making by management and committees.

The minutes and all relevant documents for board meetings are recorded and kept for reference and further requests.

CNS has established the “Whistleblowing Policy” for both the employees of the Company and outsiders to notify the Company on any suspicious incidents or complaints that the employees may be involve in fraud or misconduct.

Monitoring Activities

CNS conducts internal audits by the Internal Audit Department. The internal auditors are independent and objective in performing their work. The audit results are reported directly to the Audit Committee. In the case that there are any observations identified, the Internal Audit Department will monitor the corrective actions taken by the responsible parties in a timely manner.

Summary of Internal Control and Risk Assessment

In the Board of Directors' Meeting No. 12/2561, held on December 14, 2018, the Board of Directors and the Audit Committee acknowledged the result of 2018 internal control assessment and concluded that from the evaluation of internal control adequacy in five aspects which are (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication and (5) Monitoring Activities, The Board of Directors is of the opinion that the Company has an internal control system that is suitable for the business. CNS has provided sufficient personnel to support the implementation of the work system efficiently, implemented internal control systems to monitor and control operations as well as prevented CNS's assets from mismanagement of directors or management as well as connected transactions.

11.2 Audit Committee's Opinion Different from the Board of Directors' Opinion

The Audit Committee had no opinion different from the Board of Directors' opinion.

Report of Audit Committee

The Audit Committee of Capital Nomura Securities Public Company Limited (“CNS”) consisted of 3 independent directors, namely Associate Professor Dr. Danuja Kunpanitchakit, Chairperson of the Audit Committee, Col. Ruangsub Kovindha and Mr. Prasert Virasathienpornkul, members of the Audit Committee. All members of the Audit Committee possess the qualifications required by the Office of Securities and Exchange Commission (SEC). Department Head of Internal Audit Department was the secretary to the Audit Committee.

During the fiscal year from January 1, 2019 to June 30, 2019, the Audit Committee held 2 meetings and all committee members attended the meetings. The Audit Committee performed their duties assigned by CNS as per summary below.

1. Reviewing CNS’s financial statements of the Company, including quarterly and annual financial statements before proposing to the Board of Directors that CNS’s financial statements were fairly presented in accordance with the Thai Financial Reporting Standards with adequately and independently disclosure. The meeting considered audit results with the external auditors to consider audit findings, acknowledge explanation, clarification of responsible parties and recommendations for financial statements preparation.
2. Reviewing appropriateness of internal control system, of which the audits were conducted by the Internal Audit Department and external auditors. The Audit Committee acknowledged the audit results from summarization and clarification of both parties, and expressed notices and recommendations as deemed appropriate.
3. Reviewing the performance of Internal Audit Department, audit plan, audit execution including the review of all fraud risk related to assets misappropriation, corruption and fraudulent financial statements, reporting, monitoring, and follow-up. The Audit Committee has provided recommendations to improve audit effectiveness.
4. Reviewing the operations of the Company to be in accordance with the laws on securities and stock exchange, regulations of Stock Exchange of Thailand (SET), and other relevant laws relating to the Company’s business.
5. Together with the Board of Directors, considering connected transactions or transactions that may lead to conflicts of interests in order to comply with the requirements of the Stock Exchange of Thailand and other relevant laws and regulations. This is to ensure that the transactions are reasonable and beneficial to the Company.
6. Preparing the Audit Committee Report to be disclosed in CNS’s annual report.
7. Considering, selecting and proposing the Board of Directors for the appointment of a qualified person who is independent as the external auditor of the Company and consider his/her remuneration. The Audit Committee shall meet privately with the external auditor at least once a year without the management team being present.

8. Ensuring the existence of adequate “Whistle-blowing” policies and procedures.
9. Reviewing the Company’s compliance with private sector’s anti-corruption and certification programmes, including the Collective Action Coalition Against Corruption’s Self-Evaluation Tool.

The Audit Committee considered that CNS’s financial statements were fairly presented in accordance with Thai Financial Reporting Standards and adequately disclosed as expressed in the report of CNS’s external auditor. CNS has had appropriate internal control system and complied with related regulations. The Audit Committee assured that CNS’s Board of Directors and managements adhere to business ethics, highly emphasize on good corporate governance, and attempt to conduct the business prudently in order to achieve CNS’s goals.

The Audit Committee selected an external auditor and proposed to the Board of Directors to further propose to the Annual General Meeting of Shareholders to appoint EY Office Limited by any one of Ms. Ratana Jala, and/or Ms. Somjai Khunapasut and/or Ms. Rachada Yongsawadvanich and/or Ms. Wanwilai Phetsang to be CNS’s external auditor for the fiscal year ended December 31, 2019.

The Audit Committee had the opinion that Ms. Napalai Suntives, Department Head of Internal Audit Department, had possessed suitable qualifications and working experience to perform her duties independently and effectively.

-Signed-

-Signed-

-Signed-

(Associate Professor Dr. Danuja
Kunpanitchakit)

(Col. Ruangsub Kovindha)

(Prasert Virasathienpornkul)

Chairperson of the Audit Committee
and Independent Director

Audit Committee Member and
Independent Director

Audit Committee Member and
Independent Director

11.3 Head of Internal Audit Department and Head of Compliance Department

(1) Head of Internal Audit Department

In order to efficiently perform the duties and align with the international standards, CNS establishes Internal Audit Department which is independent and directly reports to the Audit Committee. CNS appointed Miss Napalai Suntives, Department Head of Internal Audit Department, to be its Head of Internal Audit Department. The qualifications and responsibilities are presented in the attachment No.3

The Audit Committee has considered that Miss Napalai Suntives has internal audit experience in securities business, understands CNS's activities and operations with the adequate qualifications and work experiences for independently and efficiently perform the internal audit function.

The Audit Committee has authorities and duties to consider and approve the appointment. Transfer and dismissal of Head of Internal Audit Department.

(2) Head of Compliance Department

CNS appointed Miss Penphun Palungvitvatana, Department Head of Compliance Department, to be its Head of Compliance Department. The qualifications and responsibilities are presented in the attachment No.3

12. Connected Transactions

Connected Transactions Policy¹ **Capital Nomura Securities Public Company Limited**

To comply with the Good Corporate Governance Policy, Capital Nomura Securities Public Company Limited (“CNS”) deemed that it is appropriate to set up the Connected Transactions Policy to ensure that the transactions entered into by CNS are accurate, appropriate and consistent with applicable laws, rules and regulations.

“Connected Transaction” means any transaction between a listed company or a subsidiary and the listed company’s connected persons; or any transaction between a subsidiary and its connected persons.

“Decision to enter into a transaction” means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets, leasing or renting asset, an offer or a receipt of service, an offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

“Connected person” means the following:

- (1) The management, major shareholders, controlling persons or persons to be nominated as the management or controlling persons of a listed company or a subsidiary including related persons and close relatives of such persons.
- (2) Any juristic person having a major shareholder or a controlling person as the following persons of a listed company or a subsidiary:
 - (a) the management
 - (b) major shareholder
 - (c) controlling person
 - (d) person to be nominated as the management or a controlling person
 - (e) related persons and close relatives of persons from (a) to (d)

¹ Notification of the Board of Governors of the Stock Exchange of Thailand, re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transaction, 2003 and the amended Notification of the Board of Governors of the Stock Exchange of Thailand, re: Disclosure of Information and other Acts of Listed Companies Concerning the Connected Transaction (No.2), 2004.

- (3) Any person whose behavior can be indicated as a representative or under a major influence of persons from (1) to (2) when making decision, determining policy, handling management or operation; or other persons the SET deems as having the same manner.

Provided that, the connected person includes any related person under section 89/1 of the Securities and Exchange Act B. E. 2535, according to the Notification of the Capital Market Supervisory Board.²

“Management” means managers and the next four management level succeeding the manager position, including all individuals at the equivalent position to the fourth holding management level and all individuals in management positions of accounting and/or finance departments at the manager level upward or equal. This also includes directors under section 89/1 of the Securities and Exchange Act B. E. 2535.³

“Major Shareholder” means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 percent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons.

“Controlling persons” means persons having control over the company such as person holding of shares with voting right in a juristic person in amount exceeding fifty percent of the total number of voting rights of such juristic person, or having control of the majority voting rights in the shareholders’ meeting of any juristic person, whether directly or indirectly or by any other reasons, or having control over appointment or removal of at least half of all directors, whether directly or indirectly.

“Related person” means persons under Section 258 (1) to (7) of the Securities and Exchange Act, B.E. 2535, prior to the Act’s amendments.

“Close relatives” means persons related by blood or registration under law such as father, mother, spouses, sibling, and children including spouses of the children.

“General trading conditions” means trading conditions under which the price and the condition are fair and do not cause misappropriation of benefits, including the trading conditions under which the price and the conditions are as follows:

² Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 re: Rules on Connected Transactions

³ Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 re: Rules on Connected Transactions, as amended by Notification of the Capital Market Supervisory Board No. TorChor. 79/2558 re: Rules on Connected Transactions (No.4)

- (1) being the price and conditions which a listed company or a subsidiary receives from or offers to general persons;
- (2) being the price and conditions which a connected person offers to general persons;
- (3) being the price and conditions which a listed company can prove to be the price and conditions that an operator of similar business offers to general persons.

“Normal business transaction” means trading transaction normally undertaken by a listed company or a subsidiary for the purpose of operating business

“Supporting normal business transaction” means trading transaction undertaken by the general business of similar nature to a listed company or a subsidiary for the purpose of supporting normal business transaction of their own company.

“Interest” means the receipt or loss of interest whether directly or indirectly from a decision to enter into a transaction of a listed company or a subsidiary.

Characteristics of Connected Transactions can be divided as follows:

1. In case a listed company or a subsidiary decides to enter into a transaction with
 - (a) Management
 - (b) Major shareholder
 - (c) Related person or close relatives of management or major shareholders
2. In case a listed company or a subsidiary decides to enter into a transaction with the listed company's connected persons; or any transaction between a subsidiary and its connected persons.

Types of Connected Transactions

1. Normal business transaction;
2. Supporting normal business transaction;
3. Transaction regarding rental or lease of immovable property of not exceeding 3 years;
4. Transaction relating to assets or service;
5. Transaction regarding an offer or a receipt of financial assistance.

Summarized procedures upon connected transactions

1. Consider the types of transaction and conditions of each according to the table attached hereto.
2. CNS will assess a transaction value of an asset or a service based on a total return value paid or being paid or a book value or market price value of such asset or service, whichever is higher.
3. In case of information disclosure required, CNS shall disclose its decision to enter into a connected transaction pursuant to the table attached hereto for making a report disclosing such information to SET within the date of transaction, or at least before 9.00 a.m. on the following business day.
4. In case the transaction must seek for an approval of the board of directors or shareholders, CNS shall seek the board of directors' approval of entering into a connected transaction by doing as follows:
 - (1) Preclude directors having interests in making decision to enter into a connected transaction from attending the meeting and having voting rights at the meeting in such agenda.
 - (2) Disclose to the SET the resolutions of the board of directors concerning approval of entering into a connected transaction by having detailed information according to the Notification's requirement within the date the board adopts such resolution, or at least before 9.00 a.m. on the following business day.

In case the shareholders' meeting resolution for entering into a connected transaction is required according to the table attached, CNS shall arrange to have an independent financial advisor in providing their opinion concerning the connected transaction in support of the shareholders' consideration. A resolution of the shareholders' meeting to approve a decision to enter into a connected transaction must consist of at least three-fourths of total votes of shareholders attending the meeting and having voting right, excluding interested shareholders' equity.

5. CNS shall enter into a connected transaction from the date of approval thereof by the board of directors or the shareholders' meeting, as the case may be, onwards. The transaction must not be dated prior to the date of such approval.
6. CNS shall disclose a connected transaction in annual report of the company.

Table Attached to the Notification of the Board of Governors of the Stock Exchange of Thailand
Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions (No. 2), 2004

Types of Connected Transactions	Transaction Value	Listed Company's Action		
		Disclose to the Exchange	Seek the Board of Directors' Approval	Seek the Meeting of Shareholders' Approval
1. Normal business transaction or supporting normal business transaction				
1.1 Normal business transaction with general trading conditions	} Unlimited transaction value	-	-	-
1.2 Supporting normal business transaction with general trading conditions whose value of consideration can be calculated from assets or underlying value		-	-	-
1.3 Supporting normal business transaction with general trading conditions whose value of consideration cannot be calculated from assets or underlying value	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	-	-
	≥ 20 million Baht or ≥ 3% of net tangible asset value, whichever is higher	✓	✓	-
1.4 Normal business transaction or supporting normal business transaction without general trading conditions.	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	✓	-
	≥ 20 million Baht or ≥ 3% of net tangible asset value, whichever is higher	✓	✓	✓

(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Types of Connected Transactions	Transaction Value	Listed Company's Action		
		Disclose to the Exchange	Seek the Board of Directors' Approval	Seek the Meeting of Shareholders' Approval
2. Transaction regarding rental or lease of immovable property of not exceeding 3 years without any indication that it is based on general trading conditions	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	-	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	-
3. Transaction relating to assets or services.	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	✓

Types of Connected Transactions	Transaction Value	Listed Company's Action		
		Disclose to the Exchange	Seek the Board of Directors' Approval	Seek the Meeting of Shareholders' Approval
4. Grant or receipt of financial assistance 4.1 Listed company or subsidiary offering financial assistance to connected persons as follows: - Connected persons being natural person - Connected persons being juristic entity which listed company or subsidiary, holding shares at a lower ratio than the ratio of shares held by other connected persons not being the listed company or subsidiary, as the case may be, in such entity.	< 100 million Baht or < %3 of net asset tangible value, whichever is lower	✓	✓	-
	≥ 100 million Baht or ≥ 3 % of net tangible asset value, whichever is lower	✓	✓	✓ ★

(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Types of Connected Transactions	Transaction Value	Listed Company's Action		
		Disclose to the Exchange	Seek the Board of Directors' Approval	Seek the Meeting of Shareholders' Approval
4.2 Grant or receipt of financial assistance other than those stated in 4.1	≤ 1 million Baht or ≤ 0.03% of net tangible asset value, whichever is higher	-	-	-
	> 1 million Baht but < 20 million Baht or > 0.03% but < 3% of the net tangible asset value, whichever is higher	✓	✓	-
	≥ 20 million Baht or ≥ 3 % of net tangible asset value, whichever is higher	✓	✓	✓ ⊛

⊛ In case it is a transaction where a listed company or a subsidiary and connected persons jointly offer financial assistance to a juristic entity of which the shares are held by such listed company or subsidiary and connected persons based on the ratio they have an interest therein based on general trading conditions or even with better conditions, the listed company will be exempted from requesting for an approval from the Shareholders' Meeting for that transaction.

Note: ✓ means listed company having duty to act according to details in column marked with ✓
- means listed company not having any duty to act according to details in column marked with –

Supplemental Guideline: Connected Transactions Policy

Capital Nomura Securities Public Company Limited

Overview

This Supplemental Guideline: Connected Transactions Policy (Guideline) sets out a set of guidelines, in principle, to be used by the Investment Banking Division (IBD), and/or any other concerned functions, in their reviewing and consideration of proposals for Capital Nomura Securities PCL (CNS) to enter into dealings or transactions (Connected Transactions) with its Connected Persons including other Nomura group companies.

The objective of this Guideline (as a supplement to the Connected Transaction Policy) is to ensure that the spirit and provisions of the Connected Transactions Policy are properly observed and so that CNS is able to demonstrate that dealings or transactions between it and other Nomura group companies and/or its Connected Persons are entered into on an 'arms-length basis' and that such dealings or transactions carry General Trading Conditions in accordance with the relevant rules and regulations under Thai law.

The terms "Connected Transactions", "Connected Persons", and "General Trading Conditions" shall have the same meaning as defined in the Connected Transaction Policy.

Guidelines

Directors, executives or related persons of CNS may enter into a Connected Transaction with CNS or its subsidiaries if such Connected Transaction is approved by resolution of the general meeting of shareholders of CNS unless such Connected Transaction could be categorised as a Connected Transaction entered on an 'arms-length basis'.

In determining whether a proposed Connected Transaction will be entered into on an 'arms-length basis' and carries General Trading Conditions, the following principles as outlined below may be taken into consideration as may be applicable and relevant to each particular proposed Connected Transaction:

Principle 1 – Arms-Length Benchmarks

The following benchmarks should be taken into consideration for each type of transactions as may be applicable and relevant

(a) In case of transactions which can normally be entered into with other independent parties

If the transactions can normally be entered into between CNS and other independent parties and the terms and conditions relating to the products and services in the transaction and pricing can be clearly determined, the terms and conditions of the Connected Transactions which would be considered on an arms-length basis must be those terms and conditions which do not differ from those used in the transactions entered with other independent parties. For example, brokerage fees charged to a Nomura group company should not differ from those charged to other institutional investors.

(b) In case of transactions which can only be entered into with connected persons

CNS should determine if the terms and conditions of the products and services including pricing can be clearly determined. Market benchmarks can be used for this purpose. For this type of transaction, the terms and conditions which would be considered on an arms-length basis must be those terms and conditions which do not differ from the market benchmarks.

(c) In case of transactions which can also be entered into with other independent parties, but no market benchmarks are available

This is the case where such Connected Transactions have specific terms and conditions of products and services and no benchmarks can be identified for the purpose of comparison. In such case, CNS should be able to demonstrate that in order to establish an arm's length basis the gross profit margin from and the terms and conditions of the Connected Transactions will not be different from those of the transactions with independent parties.

As a benchmark for consideration if a transaction is entered into on the basis of the arms-length basis, the benchmark for a transaction should not limit only to the considerations but should be considered with respect to other terms and conditions which are the normal terms and conditions for a transaction, i.e., considerations, credit term, payment options.

Principle 2 – Contribution

The respective contributions of each party to a proposed Connected Transaction should be assessed, taking into consideration:

- staffing contribution in terms of seniority, expertise and time commitment
- relative credit for deal origination
- client relationship(s) contributing to the mandate and the transaction
- expenses that are not reimbursable by the client in the transaction
- degree of participation in sales/distribution of securities

Principle 3 – Risks Undertaken

The respective risks undertaken by each party should also be assessed, taking into consideration:

- legal obligations undertaken to the client in the proposed Connected Transaction and any other relevant parties
- any regulatory roles and responsibilities undertaken
- capital usage
- regulatory/licensing requirement to use a specific entity
- legal exposure to investors and other third parties
- exposure to credit or market risks

The Connected transactions

For the 6 months period ended June 30, 2019, CNS had business transactions with the related companies and/or connected persons as follows:

Ordinary or supporting an ordinary and usual course of business transactions which CNS provided services and received service fees

1. CNS entered into the agreement with Instinet Pacific Limited ("Instinet") to be an agent of securities trading. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The commission fee for the six-months period ended June 30, 2019 was Baht 22,394,935. The commission fee was based on trade volume and the normal commission rate as CNS charged to other clients.

2. CNS entered into the agreement with Dr. Prasit Kanchanasakdichai, CNS's Independent Director to be an agent of securities trading. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The commission fee for the six-months period ended June 30, 2019 was Baht 67,100. The commission fee was based on trade volume and the normal commission rate as CNS charged to other clients.

3. CNS entered into *Investors Business Support Agreement* with Nomura Singapore Limited ("NSL") to provide information of potential clients in Thailand as requested by NSL.

The service fee for the six-months period ended June 30, 2019 was Baht 7,605,169. The service fee was based on actual costs plus 10% of margin.

4. CNS entered into *Service Agreement* with NSL to provide information to NSL relating to international investment banking activities and development as required by NSL

The service fee for the six-months period ended June 30, 2019 was Baht 13,074,459. The service fee was based on actual costs plus 10% of margin.

5. CNS entered into *Introducing Broker Agreement* with NSL to introduce potential individual clients in Thailand who were interested in NSL's products to NSL.

The service fee for the six-months period ended June 30, 2019 was Baht 646,777. The service fee was based on actual executed transactions of CNS's referred clients calculated by using the introducing credit rate as indicated in the agreement.

6. CNS entered into *Securities Lending Agreement* with Nomura International Plc. ("NIP") for securities borrowing and lending. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The fee received for the six-months period ended June 30, 2019 was Baht 317,493. The fee was the same rate as CNS charged to other clients.

7. CNS entered into *Securities Lending Agreement* with Instinet for securities borrowing and lending. The terms and conditions in the agreements were similar to the agreements made to other clients who were not related to CNS.

The fee received for the six-months period ended June 30, 2019 was Baht 49,707. The fee was the same rate as CNS charged to other clients.

8. CNS entered into *Service Agreement* with Nomura Securities Co., Ltd. ("NSC") to provide NSC's financial advisory services to clients.

The fee received for the six-months period ended June 30, 2019 was Baht 2,834,095 as service rendered within the scope and volume of work assigned.

9. CNS entered into *Service Agreement* with Nomura International (Hong Kong) Limited ("NIHK") to provide NIHK's financial advisory services to clients.

The fee received for the six-months period ended June 30, 2019 was Baht 964,742 as service rendered within the scope and volume of work assigned.

10. CNS entered into *Service Agreement* with NSL to provide NSL's financial advisory services to clients.

The fee received for the six-months period ended June 30, 2019 was Baht 987,789 as service rendered within the scope and volume of work assigned.

11. CNS entered into *Service Agreement* with NSL and Nomura Securities Singapore Pte. Ltd. to provide securities trading and research services to them.

The service fee that received from only NSL for the six-months period ended June 30, 2019 was Baht 8,069,471. The service fee was based on actual costs plus 10% of margin net with the brokerage commission received.

12. CNS received fee income from late delivery from INSTINET for the late delivery securities.

The fee received for the six-months period ended June 30, 2019 was Baht 181,481. The fee was the normal rate as CNS charged to other clients.

Ordinary or supporting an ordinary and usual course of business transactions which CNS received services and paid service fees

1. CNS entered into the *Service Agreement* with NSL for support brokerage referral service.

The service fee paid for the six-months period ended June 30, 2019 was Baht 2,658,617. The service fee was calculated based on service rendered within the scope and volume of work assigned.

2. CNS entered into the *Hi-Speed Circuit Service* with United Information Highway Company Limited ("UIH") of which CNS's director was also the managing director. CNS received the same hi-speed circuit service in the same quality and service fee from other suppliers who were not related to CNS.

The service fee paid for the six-months period ended June 30, 2019 was Baht 1,190,767. The service fee was the same rate as CNS paid to other suppliers who were not related to CNS.

3. CNS paid brokerage fee to NSL for execution of securities trading orders in foreign securities exchanges for CNS's clients.

The commission paid for the six-months period ended June 30, 2019 was Baht 15,514. The commission was calculated based on turnover and a referential rate charged from other foreign securities firms who were not related to CNS.

Section 3 Financial Position and Financial Performance**13. Key Financial Information****13.1 Financial Statements*****Summary of the Independent Certified Public Accountant's Reports***

The Independent Certified Public Accountants provide unqualified opinion in their reports for the financial statements in previous financial periods included financial statements for the six-months period ended June 30, 2019, financial statements for the year ended December 31, 2018 and December 31, 2017. For the comparison of performance for the six-months period ended, CNS also presents statements of comprehensive income, statement of changes in equity and statement of cash flows for the six-months period ended June 30, 2019 and 2018.

Summary of financial position and financial performance for last 3 financial periods;

Capital Nomura Securities Public Company Limited
Statement of financial position
As at June 30, 2019, December 31, 2018 and December 31, 2017

Unit: Thousand Baht

	June 30, 2019		December 31, 2018		December 31, 2017	
	Amount	%	Amount	%	Amount	%
Assets						
Cash and cash equivalents	435,512	5.04	388,056	3.90	280,287	2.18
Receivables from Clearing House and broker-dealers	449,420	5.21	29,377	0.30	778,930	6.05
Securities and derivatives business receivables						
Securities business receivables	6,947,576	80.46	8,435,323	84.76	10,673,220	82.96
Accrued interest receivables	23,707	0.28	25,232	0.25	35,326	0.27
Total securities business receivables and accrued interest receivables	6,971,283	80.74	8,460,555	85.01	10,708,546	83.23
Less: Allowance for doubtful accounts	(113,149)	(1.31)	(113,192)	(1.14)	(6,970)	(0.06)
Net Securities business receivables	6,858,134	79.43	8,347,363	83.87	10,701,576	83.17
Derivatives business receivables	1,158	0.01	398	0.01	327	0.01
Net securities and derivatives business receivables	6,859,292	79.44	8,347,761	83.88	10,701,903	83.18
Investments	438,315	5.08	702,611	7.06	624,254	4.85
Premises and equipment	85,531	0.99	88,899	0.89	115,390	0.90
Intangible assets	26,251	0.30	26,521	0.27	12,927	0.10
Deferred tax assets	78,799	0.91	83,882	0.84	72,762	0.57
Other assets	261,787	3.03	285,107	2.86	279,708	2.17
Total assets	8,634,907	100.00	9,952,214	100.00	12,866,161	100.00

Capital Nomura Securities Public Company Limited
Statement of financial position (Continued)
As at June 30, 2019, December 31, 2018 and December 31, 2017

Unit: Thousand Baht

	June 30, 2019		December 31, 2018		December 31, 2017	
	Amount	%	Amount	%	Amount	%
Liabilities and equity						
Liabilities						
Borrowings from financial institutions	1,450,000	16.79	1,250,000	12.56	3,800,000	29.53
Payables to Clearing House and broker-dealers	1,764	0.02	478,196	4.80	642,984	5.00
Securities and derivatives business payables	1,636,737	18.96	2,157,294	21.68	2,376,693	18.47
Debt issued and other borrowings	-	-	299,532	3.01	-	-
Corporate income tax payables	-	-	37,868	0.38	53,217	0.41
Provisions for long-term employee benefits	132,850	1.54	97,413	0.98	100,044	0.79
Other liabilities	236,863	2.74	321,648	3.23	318,085	2.47
Total liabilities	3,458,214	40.05	4,641,951	46.64	7,291,023	56.67
Equity						
Issued and paid-up share capital 2,150,469,000 ordinary shares of Baht 1 each	2,150,469	24.90	2,150,469	21.61	2,150,469	16.71
Premium on ordinary shares and treasury stock	2,133,321	24.71	2,133,321	21.43	2,133,321	16.58
Retained earnings						
Appropriated - statutory reserve	187,700	2.17	187,700	1.89	178,800	1.39
- general reserve	215,000	2.49	215,000	2.16	215,000	1.67
Unappropriated	490,203	5.68	623,773	6.27	897,521	6.98
Other components of equity - revaluation surplus on investments	-	-	-	-	27	-
Total equity	5,176,693	59.95	5,310,263	53.36	5,575,138	43.33
Total liabilities and equity	8,634,907	100.00	9,952,214	100.00	12,866,161	100.00

(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Capital Nomura Securities Public Company Limited

Statements of comprehensive income

For the six-months period ended June 30, 2019, for the year ended December 31, 2018
and December 31, 2017

Unit: Thousand Baht

	For the six-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)		Fiscal year 2018 (Jan 1, 2018 - Dec 31, 2018)		Fiscal year 2017 (Jan 1, 2017 - Dec 31, 2017)	
	Amount	%	Amount	%	Amount	%
Profit or loss:						
Revenue						
Brokerage fees	258,632	41.38	730,826	46.12	812,777	43.88
Fees and service income	181,733	29.07	385,963	24.36	428,600	23.14
Interest on margin loans	141,190	22.59	367,035	23.16	363,878	19.64
Gain and return on financial instruments	38,722	6.19	88,116	5.56	240,270	12.97
Other income	4,783	0.77	12,683	0.80	6,832	0.37
Total revenue	625,060	100.00	1,584,623	100.00	1,852,357	100.00
Expenses						
Personnel expenses	348,262	55.72	651,484	41.11	641,971	34.66
Fees and services expenses	75,429	12.07	203,290	12.83	263,593	14.23
Financial costs	25,989	4.16	88,763	5.60	82,088	4.43
Bad debt and doubtful accounts (reversal)	(44)	(0.01)	106,222	6.71	635	0.03
Other expenses	134,723	21.55	317,115	20.01	273,721	14.78
Total expenses	584,359	93.49	1,366,874	86.26	1,262,008	68.13
Profit before income tax	40,701	6.51	217,749	13.74	590,349	31.87
Income tax	(6,535)	(1.05)	(40,232)	(2.54)	(114,910)	(6.20)
Profit for the period / year	34,166	5.46	177,517	11.20	475,439	25.67
Other comprehensive income:						
Other comprehensive income to be reclassified to profit or loss in subsequent period / year:						
Gain (loss) on change in value of available-for-sale investments	-		(34)		1,899	
Income tax relating to gain (loss) on change in value of available-for- sale investments	-		7		(380)	
Net other comprehensive income to be reclassified to profit or loss in subsequent period / year	-		(27)		1,519	
Other comprehensive income not to be reclassified to profit or loss in subsequent period / year:						
Actuarial gain	-		11,541		-	
Income tax relating to actuarial gain	-		(2,308)		-	
Net other comprehensive income not to be reclassified to profit or loss in subsequent period / year	-		9,233		-	
Total comprehensive income for the period / year	-		9,206		1,519	
Total comprehensive income for the period / year	34,166		186,723		476,958	
Basic earnings per share						
Profit for the period	0.02		0.08		0.22	
Weighted average number of ordinary shares (shares)	2,150,469,000		2,150,469,000		2,150,469,000	

Capital Nomura Securities Public Company Limited
Statement of changes in equity
For the six-months period ended June 30, 2019, for the year ended December 31, 2018
and December 31, 2017

Unit: Thousand Baht

	For the six-months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal year 2018 (Jan 1, 2018 - Dec 31, 2018)	Fiscal year 2017 (Jan 1, 2017 - Dec 31, 2017)
Issued and paid-up share capital			
Balance forward brought	2,150,469	2,150,469	2,150,469
Balance carried forward	2,150,469	2,150,469	2,150,469
Premium on ordinary shares and treasury stock			
Balance forward brought	2,133,321	2,133,321	2,133,321
Balance carried forward	2,133,321	2,133,321	2,133,321
Retained earnings - Appropriated			
Statutory reserve			
Balance forward brought	187,700	178,800	155,000
Statutory reserve for the year	-	8,900	23,800
Balance carried forward	187,700	187,700	178,800
General reserve			
Balance forward brought	215,000	215,000	215,000
Balance carried forward	215,000	215,000	215,000
Retained earnings - Unappropriated			
Balance forward brought	623,773	897,521	832,967
Dividends paid	(167,736)	(451,598)	(387,085)
Statutory reserve for the year	-	(8,900)	(23,800)
Total other comprehensive income for the period / year	34,166	186,750	475,439
Balance carried forward	490,203	623,773	897,521
Other components of equity - revaluation surplus on investments			
Balance forward brought	-	27	(1,492)
Other comprehensive income for the period / year	-	(27)	1,519
Balance carried forward	-	-	27
Total Equity	5,176,693	5,310,263	5,575,138

Capital Nomura Securities Public Company Limited
Statements of cash flows

**For the six-months period ended June 30, 2019, for the year ended December 31, 2018
and December 31, 2017**

Unit: Thousand Baht

	For the six-months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal year 2018 (Jan 1, 2018 - Dec 31, 2018)	Fiscal year 2017 (Jan 1, 2017 - Dec 31, 2017)
Cash flows from operating activities			
Profit before income tax	40,701	217,749	590,349
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities			
Depreciation and amortization	26,692	50,653	47,302
Doubtful accounts (reversal)	(44)	106,222	635
Gain on revaluation of investments	(6,604)	20,164	(15,340)
Gain on disposal securities	-	(51)	(135,287)
Gain on disposal and written-off equipment	(199)	190	386
Loss on revaluation of derivatives	7,956	(14,020)	7,997
Financial costs	25,989	88,763	82,088
Interest and dividend income	(32,709)	(65,353)	(57,556)
Interest income from margin loans	(141,190)	(367,035)	(363,878)
Others interest income	(630)	(1,238)	(1,345)
Long-term employee benefits	37,490	8,911	8,570
Income (loss) from operating activities before changes in operating assets and liabilities	(42,548)	44,955	163,921
Operating assets (increase) decrease			
Receivables from Clearing House and broker-dealers	(427,998)	763,572	(318,429)
Securities and derivatives business receivables	1,486,987	2,237,826	(1,882,277)
Trading securities	274,786	(13,741)	(525,682)
Other assets	20,615	651	(73,401)
Operating liabilities increase (decrease)			
Borrowings from financial institutions	200,000	(2,550,000)	1,750,000
Payables to Clearing House and broker-dealers	(476,433)	(164,787)	572,146
Securities and derivatives business payables	(523,397)	(217,977)	83,026
Debt issued and other borrowings	(299,532)	299,532	-
Provision for long-term employee benefits	(2,053)	-	(595)
Other liabilities	(85,852)	10,738	51,541
Cash received (paid) from operating activities	124,575	410,769	(179,750)
Cash received from dividend	3,617	14,000	2,306
Cash paid for interest expenses (included other financial costs)	(24,115)	(96,028)	(83,086)
Cash received from interest	14,293	5,678	15,449
Cash received from interest on margin loans	142,715	377,128	359,102
Cash received from other interest	987	1,063	1,149
Cash paid for income tax	(44,442)	(69,003)	(135,745)
Net cash provided by (used in) operating activities	217,630	643,607	(20,575)
Cash flows from investing activities			
Cash paid for purchase available-for-sale securities	-	-	(6,432)
Cash received from disposal of available-for-sale securities	-	1,582	105,994
Net cash received (paid) for held-to maturity debt securities	(5)	(84,731)	2,750
Cash paid for purchase other investment	-	(257)	-
Cash received from disposal of other investment	-	-	136,767
Cash paid for acquisition of equipment	(22,107)	(19,796)	(27,988)
Cash received from sales of equipment	2,147	196	35
Cash paid for acquisition of intangible assets	(2,877)	(16,720)	(3,894)
Cash received from interest	19,967	35,135	42,067
Cash received from dividend	437	351	692
Net cash provided by (used in) investing activities	(2,438)	(84,240)	249,991

(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Capital Nomura Securities Public Company Limited
Statements of cash flows (Continued)
For the six-months period ended June 30, 2019, for the year ended December 31, 2018
and December 31, 2017

Unit: Thousand Baht

	For the six- months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal year 2018 (Jan 1, 2018 - Dec 31, 2018)	Fiscal year 2017 (Jan 1, 2017 - Dec 31, 2017)
Cash flows from financing activities			
Dividends paid	(167,736)	(451,598)	(387,085)
Net cash used in financing activities	(167,736)	(451,598)	(387,085)
Net increase (decrease) in cash and cash equivalents	47,456	107,769	(157,669)
Cash and cash equivalents at the beginning of the period / year	388,056	280,287	437,956
Cash and cash equivalents at the end of the period / year	435,512	388,056	280,287

(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Capital Nomura Securities Public Company Limited
Statements of comprehensive income
For the six-months period ended June 30, 2019 and June 30, 2018

Unit: Thousand Baht

	For the six-month period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)		For the six-month period ended June 30, 2018 (Jan 1, 2018 - Jun 30, 2018)	
	Amount	%	Amount	%
Profit or loss:				
Revenue				
Brokerage fees	258,632	41.38	417,456	47.14
Fees and service income	181,733	29.07	211,528	23.88
Interest on margin loans	141,190	22.59	202,312	22.84
Gain and return on financial instruments	38,722	6.19	51,191	5.78
Other income	4,783	0.77	3,205	0.36
Total revenue	625,060	100.00	885,692	100.00
Expenses				
Personnel expenses	348,262	55.72	333,628	37.67
Fees and services expenses	75,429	12.07	126,757	14.31
Financial costs	25,989	4.16	50,859	5.74
Bad debt and doubtful accounts (reversal)	(44)	(0.01)	106,222	11.99
Other expenses	134,723	21.55	143,115	16.16
Total expenses	584,359	93.49	760,581	85.87
Profit before income tax	40,701	6.51	125,111	14.13
Income tax	(6,535)	(1.05)	(21,719)	(0.74)
Profit for the period	34,166	5.46	103,392	13.39
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent period:				
Loss on change in value of available-for-sale investments	-		(34)	
Income tax relating to gain on change in value of available-for-sale investments	-		7	
Net other comprehensive income to be reclassified to profit or loss in subsequent period	-		(27)	
Total comprehensive loss for the period	-		(27)	
Total comprehensive income for the period	34,166		103,365	
Basic earnings per share				
Profit for the period	0.02		0.05	
Weighted average number of ordinary shares (shares)	2,150,469,000		2,150,469,000	

Capital Nomura Securities Public Company Limited
Statement of changes in equity
For the six-months period ended June 30, 2019 and June 30, 2018

Unit: Thousand Baht

	For the six-months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	For the six-months period ended June 30, 2018 (Jan 1, 2018 - Jun 30, 2018)
Issued and paid-up share capital		
Balance forward brought	2,150,469	2,150,469
Balance carried forward	2,150,469	2,150,469
Premium on ordinary shares and treasury stock		
Balance forward brought	2,133,321	2,133,321
Balance carried forward	2,133,321	2,133,321
Retained earnings - Appropriated		
Statutory reserve		
Balance forward brought	187,700	178,800
Statutory reserve for the year	-	-
Balance carried forward	187,700	178,800
General reserve		
Balance forward brought	215,000	215,000
Balance carried forward	215,000	215,000
Retained earnings - Unappropriated		
Balance forward brought	623,773	897,521
Dividends paid	(167,736)	(451,598)
Statutory reserve for the year	-	-
Total other comprehensive income for the period	34,166	103,392
Balance carried forward	490,203	549,315
Other components of equity - revaluation surplus on investments		
Balance forward brought	-	27
Other comprehensive loss for the period	-	(27)
Balance carried forward	-	-
Total Equity	5,176,693	5,226,905

Capital Nomura Securities Public Company Limited
Statements of cash flows
For the six-months period ended June 30, 2019 and June 30, 2018

Unit: Thousand Baht

	For the six-months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	For the six-months period ended June 30, 2018 (Jan 1, 2018 - Jun 30, 2018)
Cash flows from operating activities		
Profit before income tax	40,701	125,111
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortization	26,692	25,545
Doubtful accounts (reversal)	(44)	106,222
Gain on revaluation of investments	(6,604)	(43,519)
Gain on disposal securities	-	(51)
Gain on disposal and written-off equipment	(199)	(18)
Loss on revaluation of derivatives	7,956	4,377
Financial costs	25,989	50,859
Interest and dividend income	(32,709)	(34,959)
Interest income from margin loans	(141,190)	(202,312)
Others interest income	(630)	(611)
Long-term employee benefits	37,490	4,455
Income (loss) from operating activities before changes in operating assets and liabilities	(42,548)	35,099
Operating assets (increase) decrease		
Receivables from Clearing House and broker-dealers	(427,998)	(132,551)
Securities and derivatives business receivables	1,486,987	1,268,187
Trading securities	274,786	268,359
Other assets	20,615	(18,394)
Operating liabilities increase (decrease)		
Borrowings from financial institutions	200,000	(800,000)
Payables to Clearing House and broker-dealers	(476,433)	(639,281)
Securities and derivatives business payables	(523,397)	306,740
Debt issued and other borrowings	(299,532)	299,517
Provision for long-term employee benefits	(2,053)	-
Other liabilities	(85,852)	(75,585)
Cash received (paid) from operating activities	124,575	512,091
Cash received from dividend	3,617	10,674
Cash paid for interest expenses (included other financial costs)	(24,115)	(50,955)
Cash received from interest	14,293	6,076
Cash received from interest on margin loans	142,715	206,934
Cash received from other interest	987	(342)
Cash paid for income tax	(44,442)	(60,814)
Net cash provided by (used in) operating activities	217,630	623,664
Cash flows from investing activities		
Cash received from disposal of available-for-sale securities	-	1,583
Net cash received (paid) for held-to maturity debt securities	(5)	(62,317)
Cash paid for purchase other investment	-	(257)
Cash paid for acquisition of equipment	(22,107)	(7,362)
Cash received from sales of equipment	2,147	183
Cash paid for acquisition of intangible assets	(2,877)	(4,250)
Cash received from interest	19,967	17,815
Cash received from dividend	437	210
Net cash provided by (used in) investing activities	(2,438)	(54,395)

(Translation)

Capital Nomura Securities Public Company Limited

NOMURA

Capital Nomura Securities Public Company Limited
Statements of cash flows
For the six-months period ended June 30, 2019 and June 30, 2018

Unit: Thousand Baht

	For the six- months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	For the six- months period ended June 30, 2018 (Jan 1, 2018 - Jun 30, 2018)
Cash flows from financing activities		
Dividends paid	(167,736)	(451,598)
Net cash used in financing activities	(167,736)	(451,598)
Net increase (decrease) in cash and cash equivalents	47,456	117,671
Cash and cash equivalents at the beginning of the period	388,056	280,287
Cash and cash equivalents at the end of the period	435,512	397,958

13.2 Key financial ratios

Financial Ratio	For the six-months period ended June 30, 2019 (Jan 1, 2019 - Jun 30, 2019)	Fiscal year 2018 (Jan 1, 2018 - Dec 31, 2018)	Fiscal year 2017 (Jan 1, 2017 - Dec 31, 2017)
<u>Profitability Ratio</u>			
Gross Profit Margin (%)	83.65	81.42	81.27 ¹
Net Profit Margin (%)	5.47	11.20	25.67 ¹
Return on Equity (%)	1.30	3.26	8.60
Return on Investment (%)	16.42	12.16	55.61
<u>Efficiency Ratio</u>			
Return on Assets (%)	0.74	1.56	4.10
Assets Turnover (times)	0.13	0.14	0.16
<u>Financial Ratio</u>			
Liquidity Assets on debt (times)	0.54	0.65	0.24
Asset Income on debt (times)	5.24	6.87	3.04
Liquidity Assets on Total Assets (%)	9.08	10.06	6.98
Asset Income on Total Assets (%)	87.94	107.00	89.77
Debt/Equity (times)	0.67	0.87	1.31
Dividend Pay-Out (%)	N/A	94.49	94.99
<u>Other Ratios</u>			
Investment in Securities to Assets (%)	5.08	7.06	4.85
Net Capital Ratio (%) (calculation was based on the SEC's requirement.)	168.95	158.40	76.88
<u>Data Per Share</u>			
Book Value (Baht)	2.41	2.47	2.59
Profit for the year (Baht)	0.02	0.08	0.22
Dividend (Baht)	N/A	0.08	0.21
<u>Growth Rate</u>			
Total Assets (%)	(13.24)	(22.65)	24.56
Total Liabilities (%)	(25.50)	(36.33)	50.52
Income from Sales and Services (%)	50.05	(14.82)	10.49 ¹
Operating Expenses (%)	0.50	5.78	1.40 ¹
Profit for the year (%)	(66.96)	(62.66)	15.35

¹ The comparative figure shown herein differ from that of 2017 due to brokerage fees and interest on margin loans reclassification in the figure to correspond with the financial statement of the year ending 2018, this new classification affects total revenue but does not affect total profit for the year.

14. Management Discussion and Analysis

Overview of Business Operations and Significant Changes

CNS's overview of the business operations for the six-months period ended June 30, 2019 was as follows;

The securities business in both equity and derivatives continuously shrank although there was fund inflow by foreign investors throughout the 1st half of 2019 which resulted from the higher weight of Thailand in MSCI Thailand Index. The SET Index moved up during this period. In additions, the uncertainty of trade war between USA and China consequently created concern over the global and Thailand economic growth which affected to decline in investor confidence and led to decrease in average daily trading volume from Baht 57.44 billion in the first half of 2018 to Baht 43.40 billion in the corresponding period of 2019. Furthermore, there were the higher competition in brokerage business, commission rates and personnel recruitment and the disruption in trading securities by artificial intelligence (AI), mostly in foreign investors. As a result, CNS's securities business in both equity and derivatives shrank and CNS's market shares decline from 2.24% in 2018 to 1.98% in the 1st half of 2019. Nonetheless, CNS still focused in adding value to CNS's product and service to differentiate from other competitors including training in various topics to reinforce investment and financial knowledge to clients, investors and Financial Advisors, human resource development and system improvement. The trading system for equities, derivatives and mutual fund was improved to align with the change of technology and client's preference. The financial and investment information and news had been disseminated through favorite social media; Facebook Page: Nomura Direct, Line Official: @NomuraDirect and YouTube Channel: NomuraDirect to catch up with the young clients' lifestyle and expand client base. CNS had established Private Wealth department – PWD to serve high net worth clients.

Block trade – single stock futures business for the half year 2019 had slightly expanded because the market instability impacted to investor's interest in block trade transactions. However, the fund inflow in the SET in the 2nd quarter of 2019 led investors to open positions in derivatives. Therefore, the balance of investment in equities as at June 30, 2019 was Baht 336 million increasing Baht 234 million or 231% from Baht 101 million as at end of 2018.

Margin loan business in average shrank due to the uncertainty of economic condition together with the gradually shrinking trading volume which caused clients managed their risk by decreasing the demand for investment with margin loan. The interest was charged at the same rate which was competitive. The margin loan outstanding decreased Baht 36 million or 0.64% from Baht 5,603 million as at end of 2018 to Baht 5,567 million as at June 30, 2019.

Investment banking business for the first half of 2019 increased from the same period of prior year as the revenue from financial advisory and underwriting fee increased.

The income from Fixed income sales and trading business decreased from the first half of 2018 due to the default situation of private debt securities, the new entry from banks and securities companies and the adjustment of regulation for offering bill of exchange and bond to fit the market and investors' need. The default had an impact to the investors' confidence although the default rate was not that high when compared to the total value of debt securities in the market. The impact from regulation change made lower trading volume for short term debt securities while the uptrend of world and Thailand interest rate caused the lower market share for long term debt securities as well.

For the period of 6 months ended 30 June 2019, the volatile market in the Stock Exchange of Thailand turned individual investors to increasingly borrow securities for short selling. Some of them were the new face to SBL business which was the result of training occasionally arranged for young financial advisors of CNS. In addition, the institutional investors had a significant growth of stock borrowing demands to manage their proprietary trading account and other purposes. These led CNS gaining more volume of securities borrowing and lending and revenue of SBL business rapidly.

Selling agent business under brand CNS's Nomura iFund for the 1st half of 2019 was decreased from the same period of prior year due to higher competition in this business.

In summary, the 1st half of 2019 was the tough year as the economics and investment were volatile as the consequence from various domestic and world factors together with higher competition. For the period of 6 months ended June 30, 2019, the brokerage business in equities and derivatives, block trade – single stock futures business, debt securities trading business, selling agent business and margin loan decreased to some extent while investment banking business and Stock borrowing and Lending business slightly increased which led to the decrease in profit compared to the same period of 2018. However, CNS still maintained the strategies to diversify revenue sources as well as adding value to differentiate CNS's financial and investment products and services to gain clients' satisfaction and create sustainability to CNS in long term.

14.1 Overview of CNS's Performance and Financial Position

(1) Overview of CNS's Performance

CNS's overview of the CNS' Performance and significant changes throughout the six-months period ended June 30, 2019 and for the year ended 2018

CNS's overall performance for the six-months period ended June 30, 2019 decreased from the same period of prior year. For the first half of 2019, the net profit was Baht 34.17 million, and the earnings per share was Baht 0.02, decreasing by Baht 69.23 million or 66.95% from the corresponding period of 2018 where the net profit was Baht 103.39 million, and the earnings per share was Baht 0.05.

The net profit decreased, mainly because the decrease portion of total income was higher than the decrease portion of total expenses. Total income decreased by Baht 260.63 million or 29.43%, from Baht 885.69 million in the 1st half of 2018 to Baht 625.06 million in the 1st half of 2019. In the meanwhile, total expenses decreased by Baht 176.22 million or 23.17%, from Baht 760.58 million in the 1st half of 2018 to Baht 584.36million in the 1st half of 2019.

Total income decreased, mainly driven by the decrease of income from brokerage business in equities and derivatives, block trade – single stock futures business, debt securities trading business, selling agent business and margin loan. While the income from investment banking business and Stock borrowing and Lending business slightly increased.

Total expenses decreased, mainly driven by the decrease of financial costs, fee and services expenses, personnel expenses which was variable cost with the securities brokerage business and other expenses while there was no addition allowance for doubtful accounts. On the other hand, employee benefit expense significantly increased because CNS set additional employee benefit obligation for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate according to the Labor Protection Act (No. 7) B.E. 2562 which had been announced in the Royal Gazette on April 5, 2019.

In conclusion, CNS's profitability for the six-months period ended June 30, 2019 dropped from the same period of prior year, as a result of the instability of domestic and world economic from the trade war causing the volatility of the trading volume in SET. The fierce competition in securities business was the main reason of lower brokerage commission income and selling agent fee which finally caused the lower performance of CNS as a whole.

Total revenues for the six-months period ended June 30, 2019 decreased by Baht 260.63 million when compared to the same period of 2018

Brokerage fees

Brokerage fees for the six-months period ended June 30, 2019 decreased by Baht 158.82 million or 38.05%, from Baht 417.46 million for the first 6-month period of last year to Baht 258.63 million for the same period of this year.

Brokerage fees decreased mainly driven by the decrease of the brokerage fee from securities business and derivatives business by Baht 146.09 million and Baht 12.73 million, respectively, due to the volatility of the trading volume in SET, the fierce competition in securities, the personnel scarcity, the competition in commission rate as well as the increase of trading by AI. As a result, CNS's market shares and brokerage fees decreased.

The decrease of brokerage fees and total income as mentioned above caused the decline in brokerage fees to total income ratio from 47.14% in the 1st half of 2018 to 41.38% in the 1st half of 2019.

Fees and service income

Fees and service income for the six-months period ended June 30, 2019 decreased by Baht 29.80 million or 14.09%, from Baht 211.53 million for the first 6-month period end June 30, 2018 to Baht 181.73 million for the same period of this year.

Fees and service income decreased mainly driven by the decrease of the income from the selling agent business and the service fee from Nomura Group by Baht 64 million. However, the underwriting business and the securities borrowing and lending business increased by Baht 33 million.

The decrease of fees and service income and total income as mentioned above drove the rise of the fees and service income to total income ratio from 23.88% in the 1st half of 2018 to 29.07% in the 1st half of 2019.

Interest on margin loans

Interest on margin loans for the six-months period ended June 30, 2019 decreased by Baht 61.12 million or 30.21%, from Baht 202.31 million in the six-months period ended June 30, 2018 to Baht 141.19 million for the same period of this year, mainly driven by the decrease of the margin loan business during the first half of 2019 from market sentiment.

However, the decrease of interest on margin loans and total income as mentioned above, caused the interest on margin loans to total income ratio decrease from 22.84% for the 1st half of 2018 to 22.59% for the 1st half of 2019.

The outstanding margin loan decreased by Baht 1,386.96 million or 19.94% from Baht 6,953.84 million as at June 30, 2018 to Baht 5,566.88 million as at June 30, 2019.

Gain and return on financial instruments

Gain and return on financial instruments for the six-months period ended June 30, 2019 decreased by Baht 12.47 million or 24.36%, from Baht 51.19 million for the first 6-month period ended June 30, 2018 to Baht 38.72 million for the corresponding period of this year.

For the first half of 2019, gain and return on financial instruments decreased, mainly driven by the decrease in demand of the block trade business - single stock futures which impacted from the SET's volatility. In addition, the income from the fixed income trading business decreased, mainly driven by the lower of investors' confidence due to the default of private companies' debt securities and the uncertainty of arising if interest rate.

The decrease of gain and return on financial instruments as mentioned above drove the gain and return on financial instruments to total income ratio from 5.78% for the 1st half of 2018 to 6.19% for the 1st half of 2019.

Other income

Other income for the six-months period ended June 30, 2019 increased by Baht 1.58 million or 49.23%, from Baht 3.21 million for the 6-month period end June 30, 2018 to Baht 4.78 million for the same period of 2019, mainly from the increase in promotion income from selling agent business.

The increase of other income as mentioned above caused the slight growth of the other income to total income ratio from 0.36% for the 1st half of 2018 to 0.77% for the 1st half of 2019.

Total expenses for the six-months period ended June 30, 2019 decreased by Baht 178.22 million (or approximately 23.17%) when compared to the same period of 2018

Personnel expenses

Personnel expenses for the six-months period ended June 30, 2019 increased by Baht 14.63 million or 4.39%, from Baht 333.63 million for the six-months period ended June 30, 2018 to Baht 348.26 million for the corresponding period of 2019, mainly from the addition employee benefit set in the current period of Baht 33.09 million according to the Labor Protection Act (No. 7) B.E. 2562 which has been announced in the Royal Gazette on April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. On the contrary, brokerage incentive decreased by Baht 20 million in line with the decrease of securities brokerage fee.

Fees and service expenses

Fees and service expenses for the six-months period ended June 30, 2019 decreased by Baht 51.33 million or 40.49%, from Baht 126.76 million for the six-months period ended June 30, 2018 to Baht 75.43 million for the corresponding period of 2019, mainly driven by the decrease of fee and service expenses fee which varied by the drop of the selling agent business and securities trading transactions.

Financial costs

Financial costs for the six-months period ended June 30, 2019 decreased by Baht 24.87 million or 48.90%, from Baht 50.86 million for the six-months period ended June 30, 2018 to Baht 25.99 million for the corresponding period of 2019, mainly driven by the decrease of the margin loan business and the Block Trade – Single Stock Future business.

Bad debt and doubtful accounts

Bad debt and doubtful accounts for the six-months period ended June 30, 2019 decreased by Baht 106.27 million or 100.04%. For the six-months period ended June 30, 2018, CNS set up bad debt and doubtful accounts in amount of Baht 106 million for one receivable whose asset was frozen by a government agency. The Company is on the legal process to claim for the whole receivable amount. While there was no additional provision for bad debt and doubtful accounts for the corresponding period of this year.

Other expenses

Other expenses for the six-months period ended June 30, 2019 decreased by Baht 8.39 million or 5.86%, from Baht 143.12 million for the six-months period ended June 30, 2018 to Baht 134.72 million for the corresponding period of this year, mainly from the decrease in expenses related to lawsuit case.

Income tax

Income tax for the six-months period ended June 30, 2019 decreased by Baht 15.18 million or 69.89%, from Baht 21.72 million for the six-months period ended June 30, 2018 to Baht 6.54 million for the corresponding period of this year from the decrease of the profit before income tax as mentioned above. The corporate income tax rate for the first half of 2019 was 20%, the same rate for the corresponding period of 2018.

(2) Overview of CNS's Financial Position**Overview of Financial Position and Significant Changes as at June 30, 2019 and December 31, 2018**

The first half of 2019, CNS continued to operate its business carefully, by focusing on client-based expansion and diversification, together with creating added-value to the diverse financial and investment products and services. However, the brokerage business dropped due to the SET's volatility, snatch of personnel and customers, including the competition in brokerage commission income, causing the decrease of CNS's market share. And the fixed income trading business also dropped due to an upward trend of interest rate. The volatile market sentiment caused CNS's margin loan business and block trade business – single stock futures business to slow down which resulted in the decrease of demand in its working capital.

Overview of CNS's Financial Position as at June 30, 2019 was as follows:

Total assets decreased by Baht 1,317.31 million or 13.24%, from Baht 9,952.21 million as at December 31, 2018 to Baht 8,634.91 million as at June 30, 2019 from the decrease of investments in debt securities and credit balances receivables due to the volatile trading volume. The balance of the total assets as at June 30, 2019 was mainly securities and derivatives business receivables or 79.44% of the total assets.

Total liabilities decreased by Baht 1,183.74 million or 25.50%, from Baht 4,641.95 million as at December 31, 2018 to Baht 3,458.21 million as at June 30, 2019, mainly driven by the decrease of the bill of exchange which was matured in the first half of this year and the drop of securities and derivatives business payables which was mainly driven by the lower trading volume during the end of June 30, 2019. The balance of the total liabilities as at June 30, 2019 was mainly securities and derivative business payables or 47.33% of the total liabilities.

Total equity decreased by Baht 133.57 million or 2.52%, from Baht 5,310.26 million as at December 31, 2018 to Baht 5,176.69 million as at June 30, 2019, mainly driven by the decrease of net profit for the 6 months period ended June 30, 2019 compared to the same period of 2018 and dividend payment.

As a result, debt to equity ratio dropped from 0.87 times as at December 31, 2018 to 0.67 times as at June 30, 2019 mainly from the decrease of the securities and derivatives business payables and debt issued. Such debt to equity ratio was low and had no impact on the compliance with the debt covenant. Net book value decreased by Baht 0.06 per share from Baht 2.47 per share as at the end of December 31, 2018 to Baht 2.41 per share as at June 30, 2019. The funding was monitored to be in compliance with the funding policy and the risk management policy and also with appropriate funding costs.

CNS had high financial liquidity. Net liquid capital as at June 30, 2019 at Baht 4,626.02 million, while net liquid capital rule (NCR) ratio was 168.95% of general liabilities and collateral which was much higher than the minimum net liquid capital of Baht 25 million and the minimum net liquid capital ratio of 7% of general liabilities and collateral, whichever is higher regarding the SEC's requirements.

In conclusion, CNS was a security company with a strong financial position and a high financial stability.

Total assets as at June 30, 2019 decreased by Baht 1,317.31 million when compared to December 31, 2018

Cash and cash equivalents

Cash and cash equivalents increased by Baht 47.46 million or 12.23% from Baht 388.06 million as at December 31, 2018 to Baht 435.51 million as at June 30, 2019, mainly driven by the increase in short-term financing from financial institutions to support business growth during the end of 2nd quarter in 2019.

Receivables from Clearing House and broker-dealers, and securities and derivatives business receivables

Receivables from Clearing House and broker-dealers, and securities and derivatives business receivables decreased by Baht 1,488.47 million or 17.83%, from Baht 8,347.76 million as at December 31, 2018 to Baht 6,859.29 million as at June 30, 2019, mainly driven by the decrease of the cash accounts by Baht 1,158.98 million from Baht 1,587.81 million at December 31, 2018 to Baht 428.83 million at June 30, 2019 due to the volatile market sentiment during the 2nd quarter of 2019. However, the outstanding of receivables from Clearing House and broker-dealers increased from the end of 2018 due to the increase in trading transactions during the end of 2nd quarter of 2019 and not yet due.

As at June 30, 2019, CNS classified its securities business receivables including related interest receivables in the total balance of Baht 6,858.29 million (net with allowance for doubtful accounts amount of Baht 113.15 million) as normal by Baht 6,858.74 million, as substandard by Baht 106.78 million and as doubtful by Baht 6.97 million. As at December 31, 2018, the total balance of its securities business receivables including related interest receivable of Baht 8,347.76 million (net with allowance for doubtful accounts amount of Baht 113.19 million); was classified as normal by Baht 8,346.96 million, as substandard by Baht 107.02 million and as doubtful by Baht 6.97 million. CNS fully set the allowance for doubtful accounts. For prudence reason, CNS set up the allowance for doubtful accounts for substandard debt balance due to an order from a government agency to freeze all collateral belonging to a certain credit balance client.

Investments

Investments decreased by Baht 264.30 million or 37.62%, from Baht 702.61 million as at December 31, 2018 to Baht 438.31 million as at June 30, 2019, mainly driven by the drop of the trading debt securities in line with the debt securities market sentiment.

Premises and equipment

Premises and equipment decreased by Baht 3.37 million or 3.79%, from Baht 88.90 million as at December 31, 2018 to Baht 85.53 million as at June 30, 2019, mainly driven by the depreciation.

Total liabilities as at June 30, 2019 decreased by Baht 1,183.74 million when compared to December 31, 2018

Borrowings from financial institutions

Borrowings from financial institutions increased by Baht 200 million or 16.00%, from Baht 1,250 million as at December 31, 2018 to Baht 1,450 million as at June 30, 2019 in order to support the increase of Block Trade – Single Stock Futures business during the late of 2nd quarter of 2019.

The ending balance as at June 30, 2019 consisted of promissory notes and the short-term borrowings of Baht 1,350 million and the long-term borrowings of Baht 100 million which was in line with the funding policy and the risk management policy.

Payables to Clearing House and broker-dealers and Securities and derivatives business payable

Payables to Clearing House and broker-dealers and securities and derivatives business payable decreased by Baht 520.56 million or 24.13%, from Baht 2,517.29 million as at December 31, 2018 to Baht 1,636.74 million as at June 30, 2019, mainly driven by the slowdown of the SET's turnover during the end of 2nd quarter ended June 30, 2019.

Provisions for long-term employee benefits

Provisions for long-term employee benefits increased by Baht 35.44 million or 36.38%, from Baht 97.41 million as at December 31, 2018 to Baht 132.85 million as at June 30, 2019, mainly driven by the actuarial gain and the provisions for long-term employee benefits recognized during the six-months period ended June 30, 2019. Moreover, CNS recognized the addition employee benefit for the period of this year of Baht 33.09 million. The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, this Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate.

Other liabilities

Other liabilities decreased by Baht 84.79 million or 23.36%, from Baht 321.65 million as at December 31, 2018 to Baht 236.86 million as at June 30, 2019, mainly driven by the decrease of accrued personnel expenses.

Total equity as at June 30, 2019 decreased by Baht 133.57 million when compared to December 31, 2018

Total equity decreased by Baht 133.57 million or 2.52%, from Baht 5,310.26 million as at December 31, 2018 to Baht 5,176.69 million as at June 30, 2019, mainly driven by the following factors;

- Retained earnings decreased by Baht 164.74 million mainly driven by the dividend paid during the six-months period ended June 30, 2019 for the performance for the fiscal year 2018 as approved by the Annual General Meeting of Shareholders No. 1/2562 held on April 26, 2019.
- Retained earnings increased by Baht 34.17 million from the performance for the six-months period ended June 30, 2019.

14.2 Factors or Influences on Future Financial Position and Performance

Local and global economic, social and political conditions are major factors which materially affect CNS's financial status and performance, such as;

- The government's stimulus package, infrastructure project and tourism promotion
- Economic growth rate of Thailand, counter parties and other countries
- The upward trend of interest rate for local and global financial market
- The increase of minimum wage driven by the government's policy
- Thailand's political conditions and general election result which might cause the change of some important policies
- Social condition changing into the aging society in years
- The government and private sectors' effort to encourage public sector to be aware of financial planning for retirement by providing omni channel to train the financial and investment literacy
- The trade war especially between the United States ("US") and People Republic of China
- Upward trend of US's federal reserve interest rate
- Monetary policies of Bank of Japan (BOJ) and European Central Bank (ECB)
- Trend of crude oil price in the global market
- Depreciation trend of US Dollar
- Trends in agricultural crop prices that are important to farmers, who are the majority of people in the country
- Natural disasters

Those factors may impact the interest rate change, fund flows to emerging countries in Asia, saving by public sector, investment need in both equity and debt securities, private sector's investment demand, business direction, profitability of listed companies and confidence of domestic and foreign investors. In addition, the financial technology from both Fin Tech and Startup might disrupt performance of listed companies and securities companies.

Regarding the industry condition, the regulator's policies on the liberalization of securities business licenses and the liberalization of brokerage effective since 2012 has driven the entry of new broker members into the industry and resulted in the higher competition both in brokerage fee rates and personnel recruitment. Financial technology ("Fin Tech") also plays more roles. Investors prefer trading through mobile devices which may impact CNS's operation plan and performance. Therefore, securities companies must adjust their strategies to maintain their profitability and

competitiveness as well as develop their products to meet new requirements of investors in terms of trading application development and differentiation, higher service quality and efficiency, human resource development, omni service distribution channel. In addition, the innovation is considered to cope with the technology changes.

Over the past years, CNS has run its business strategies by the diversification of revenue sources (securities brokerage business, derivatives brokerage business, investment banking business, margin loan business, fixed income trading business, securities borrowing and lending business and selling agent business). CNS has created value-added products and services through (1) the ongoing development in personnel competencies (2) the ongoing improvement of products and (3) the ongoing enhancement of its online trading applications to facilitate clients and to serve lifestyles of investors in the current age.

In the past 2-3 years, CNS has initiated CNS Convention Center at G Floor, Thai Wah Tower to be a center for CNS's activities and meetings as well as trainings and seminars to provide clients and investors financial and investment information and literacy. The trainings and seminars are efficiently broadcasted through advanced telecommunication system to all branches throughout the country to create the highest benefits to all clients at head office and all branches. Further, CNS has made an important differentiation by initiating the CNS Corporate Access program where clients, investors, analysts and FAs are able to meet top management of the companies listed on the SET and obtain information on or ask about the management's outlook. This is to promote and support as well as share investors and FAs financial and investment information with high-quality. This program received a warm welcome. CNS has also initiated the CNS Startup & SME Access program to establish literacy to improve capability, business network, provide accessibility to other funding sources than commercial banks and financial institutions, promote listing in the SET and other supporting activities to promote and develop the Startup and SMEs entrepreneurs.

In the 1st half of 2019, CNS still continued to operate its business carefully with strategic initiatives focusing on client-base expansion and diversification, together with creating value-added and financial and investment products and service differentiation, such as continuing the CNS Corporate Access program which received a kind cooperation from top management of the companies listed on the SET and warm welcome from clients. CNS initiated to conduct a special event under this program, called "mai Company Snapshot at Nomura" to cover the companies listed on the mai as well. CNS also expanded distribution channel of financial and investment information via Line Official: @NomuraDirect and Facebook Page: Nomura Direct. In addition, CNS initiated to prepare research papers of mutual funds to support investors' investment decision making and encourage clients to diversify risk to align with economic and liquidity conditions and their suitability to prepare for the social changes towards the aging society in Thailand.

For the strategies to be implemented in the 2nd half of 2019 and 2020, CNS still proceeds its business with the diversification of revenue sources as well as focuses on client-based expansion and diversification, together with creating value-added financial and investment products and service differentiation. CNS will continue the CNS Corporate Access and communicate via social media both Line and Facebook to continuously share clients and investors financial and investment information. CNS will aim to inform and educate investors to become fully aware of the necessity and benefits of the asset allocation that matches their risk tolerance and investment objectives, including the launch of "Nomura iWealth", a service that provides advice on mutual fund asset allocation portfolio management with the portfolio rebalancing service that is responsive to the changes of circumstances, clients' need and suitability, which the clients can do either online or through the FAs. CNS will also emphasize the need to educate our clients and investors on retirement financial planning in response to the forthcoming aging society.

Moreover, CNS intends to adapt new financial technologies to create added-value to the products and services to meet clients' rapidly changing need. CNS will perform business operations by adhering to the principles of corporate social and environmental responsibility, transparency and good corporate governance, anti-bribery and corruption, disciplined financial and appropriate risk management, each of which will be the key factor in creating long-term value to the shareholders and stakeholders that will foster the sustainable growth of CNS.

Information Certification

The Company has reviewed this six-months period ended June 30, 2019 Registration Statement with caution and certified that the information disclosed herewith is complete, accurate, and truthful and not cause any misunderstanding and does not omit any important information that needs to be disclosed. Moreover, the Company also certifies that:

- (1) The Financial Statement and other financial details that are summarized in this six-months period ended June 30, 2019 Registration Statement represent complete and accurate information regarding the performance and the cash flow of the Company.
- (2) The Company maintains an effective disclosure system that will assure the Company discloses all true and important information of the Company and for ensuring compliance.
- (3) The Company maintains an effective internal control system and for ensuring compliance. The Company has communicated our internal control assessment as at June 30, 2019 to the external auditor and the Audit Committee; this assessment included any default, change and misconduct which may affect the reporting of the Company's financial statements.

Therefore, as evidence that these documents constitute the entire set that the Company has certified; the Company has authorized Miss Kridsana Kulpanyalert to initial all pages. If any page is without Miss Kridsana Kulpanyalert's initials, the Company does not certify that the information given is the true copy.

Name	Position	Signature
Mr. Suthep Peetakanont	Chairman of the Board of Directors and Chairman of the Board of Executive Directors	-Signed- _____
Mr. Katsuya Imanishi	President	-Signed- _____
Mr. Shinya Yokoyama	Executive Director	-Signed- _____
Mrs. Chrisana Sae-Leiw	Executive Director	-Signed- _____

Authorized Person:

Name	Position	Signature
<u>Miss Kridsana Kulpanyalert</u>	Division Head of Finance Division	-Signed- _____

(The affixed seal of the Company)

Attachment 1

Profile of Directors, Management, Controllers, the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO), the person supervising accounting (Chief Accountant) and Company Secretary

Attachment 1: Profile of Directors, Management, Controllers, the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO), the person supervising accounting (Chief Accountant) and Company Secretary
As at June 30, 2019

Mr. Suthep Peetakanont

Age: 57 years, Position: Chairman of the Board of Directors and Chairman of the Board of Executive Directors and Authorized Director signing on behalf of CNS

First appointed on December 18, 2009

Latest appointed on April 26, 2017

Education Background / Training Experience

- Master of Business Administration, University of Missouri - Kansas City, U.S.A
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- Big Data, 2017, Apichai Sakulsureeyadej
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Corporate Governance for Capital Market Intermediaries (CGI), 2016, Thai Institute of Directors Association (IOD)
- Global Stock Selection, 2016, ASCO Training Institute (ATI)
- Acknowledge about curious behavior, money laundering laws and preventing rebellion, 2016, ASCO Training Institute (ATI)
- The path to becomes perpetual wealth, 2016, ASCO Training Institute (ATI)
- Trading TFEX's products by Technical analysis, 2016, ASCO Training Institute (ATI)
- Case study of complaint and provide guidance, 2014, Investment Analysts Association (IAA)
- Trading TFEX SET 50 Index Futures and Gold Futures with strategies, 2014, Investment Analysts Association (IAA)
- Technical Fundamentals Analysis in industry group, 2014, Investment Analysts Association (IAA)
- Asset Allocation strategies (Bank Deposit, Gold, Mutual Funds, Stock, Bond), 2014, Investment Analysts Association (IAA)
- Leader Program 4, 2007, Capital Market Academy
- Director Certification Program (DCP), 2000, Thai Institute of Directors Association (IOD)
- Chairman 2000, 2002, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Sep 2011 – Present	Chairman of the Board of Directors and Chairman of the Board of Executive Director, Capital Nomura Securities Public Company Limited
2012 – Present	Director, Thailand Futures Exchange Public Company Limited
2015 – 2016	Vice Chairman, The Stock Exchange of Thailand
2012 – 2015	Governor, The Stock Exchange of Thailand

Mr. Suthep Peetakanont (continued)

Position in other firms in the previous year

Director, Thailand Futures Exchange Public Company Limited

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mr. Katsuya Imanishi

Age: 43 years, Position: President and Authorized Director signing on behalf of CNS

First appointed on April 3, 2017

Approved by the SEC on April 19, 2017

Granted for a work permit on May 9, 2017

Education Background / Training Experience

- Bachelor of Arts in Political Science and Economics, Waseda University, Japan
- Corporate Governance for Capital Market Intermediaries (CGI), 2019, Thai Institute of Directors Association (IOD)
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

May 2017 – Present	President, Capital Nomura Securities Public Company Limited
Apr 2016 – Mar 2017	Executive Director, Financial Institutions Department, Nomura Securities Co., Ltd.
Apr 2014 – Mar 2016	Branch Manager, Shimonoseki branch, Nomura Securities Co., Ltd.

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mr. Shinya Yokoyama

Age: 54 years, Position: Executive Director and Authorized Director signing on behalf of CNS and the highest responsibility in finance and accounting (Chief Financial Officer: CFO)

First appointed on July 24, 2017

Latest appointed on April 27, 2018

Appointed as the highest responsibility in finance and accounting (Chief Financial Officer: CFO) on October 10, 2018

Education Background / Training Experience

- Bachelor of Law, Hokkaido University, Japan
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
- Corporate Governance for Capital Market Intermediaries (CGI), 2017, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Aug 2017 – Present Executive Director, Capital Nomura Securities Public Company Limited

May 2011 – Jul 2017 Executive Director, Investor Relations Department, Nomura Holdings, Inc.

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mrs. Chrisana Sae-Leiw

Age: 59 years, Position: Executive Director and Authorized Director signing on behalf of CNS

First appointed on June 1, 2009

Latest appointed on April 27, 2018

Education Background / Training Experience

- Bachelor of Science, Southern Adventist University, U.S.A.
- PVD Influencer, 2019, The Office of the Securities and Exchange Commission (SEC)
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Board Matters and Trends (BMT), 2018, Thai Institute of Directors Association (IOD)
- Complex Products: Bond and Mutual Fund (P2), 2018, ASCO Training Institute (ATI)
- Complex Products: Derivatives (P3), 2018, ASCO Training Institute (ATI)
- Techniques for acting as investment advisor, 2018, ASCO Training Institute (ATI)
- Opportunity for investment in Fintech Era, 2018, ASCO Training Institute (ATI)
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd
- Big Data, 2017, Apichai Sakulsureeyadej
- Performance Management Based Individual KPIs, 2017, Arporn Puvitayaphan, Ph.D
- Leadership Program 24, 2017, Capital Market Academy
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Corporate Governance for Capital Market Intermediaries (CGI), 2016, Thai Institute of Directors Association (IOD)
- Global Stock Selection, 2016, ASCO Training Institute (ATI)
- Acknowledge about curious behavior, money laundering laws and preventing rebellion, 2016, ASCO Training Institute (ATI)
- The path to becomes perpetual wealth, 2016, ASCO Training Institute (ATI)
- Trading TFEX's products by Technical analysis, 2016, ASCO Training Institute (ATI)
- Assessing Company Performance Enhancing Good Corporate Governance, 2015, Asst. Prof. Mr. J. Thomas Connelly, Chulalongkorn University
- Transformative Engagement Workshop, 2014, Prana Co., Ltd
- Efficient Human Resource Operation by the HR Scorecard, 2011, The Thai Chamber of Commerce
- Sale creation and development (Sale management), 2011, The Thai Chamber of Commerce
- Negotiation skills and debt collection, 2011, The Thai Institute of Banking and Finance Association

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Jun 2009 – Present Executive Director, Capital Nomura Securities Public Company Limited

Mrs. Chrisana Sae-Leiw (continued)

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or
Derivatives Act B.E. 2546 (2003)

– None –

Mr. Yuji Hibino

Age: 53 years, Position: Director

First appointed on April 27, 2018

Approved by The Office of the Securities and Exchange Commission (SEC) on May 3, 2018

Education Background / Training Experience

- Bachelor of Arts in Economics, Keio University, Japan
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

May 2018 – Present Director, Capital Nomura Securities Public Company Limited.

Apr 2018 – Present Senior Managing Director, Retail Division Wealth Management Business and Asia Strategy (Deputy), Nomura Securities Co., Ltd.

Apr 2017 – Mar 2018 Senior Managing Director, Human Resources, Nomura Securities Co., Ltd.

Apr 2017 – Mar 2018 Senior Managing Director, Human Resources, Nomura Holding, Inc.

Apr 2015 – Mar 2017 Managing Director, Retail Strategy Department, Nomura Securities Co., Ltd.

Aug 2012 – Mar 2015 Head of Numazu Branch Office, Nomura Securities Co., Ltd.

Position in other firms in the previous year

Senior Managing Director, Retail Division Wealth Management Business and Asia Strategy (Deputy), Nomura Securities Co., Ltd.

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mr. Philip Wing Lun Chow

Age: 57 years, Position: Director

First appointed on April 29, 2015

Latest appointed on April 27, 2018

Education Background / Training Experience

- Master of Business Administration, Hong Kong University of Science and Technology, Hong Kong
- Master of Science, Imperial College London, University of London, United Kingdom
- Bachelor of Engineering, University of Bradford, United Kingdom
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
- Certified Financial Risk Manager (FRM) from the Global Association of Risk Professional (GARP)
- Certified Professional Risk Manager (PRM) from the Professional Risk Managers' International Association (PRIMA)
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Responsible risk management, 2016, Grant Thornton Singapore
- Directors as gatekeepers of market participants, 2016, Securities Industry Development Corporation
- Financial Services – Information Security (FS-IS) Forum, 2016, The Association of Banks in Singapore
- Common Reporting Standards – The Early Adopter Experience, 2016, British High Commission
- Building Effective Anti-Corruption Ethics and Compliance Programs, 2016, British High Commission
- CMDP Module 3: Risk oversight and compliance – Action plan for Board of Directors, 2016, Securities Industry Development Corporation
- CMDP Module 4: Current and Emerging Regulatory Issues in the Capital Market, 2016, Securities Industry Development Corporation
- Cyber Security Training, 2016, Nomura – Conducted by MWR InfoSecurity
- Cybersecurity, the Cloud and Privacy: the Way Forward, 2016, ASIFMA

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Apr 2015 – Present	Director, Capital Nomura Securities Public Company Limited
Nov 2006 – Present	Managing Director and Chief Administrative Officer, Wealth Management Dept., Nomura Singapore Limited

Position in other firms in the previous year

Director of Counterparty Risk, ING Bank NV, Singapore Branch

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Associate Professor Danuja Kunpanitchakit, Ph.D.

Age: 65 years, Position: Chairperson of the Audit Committee and Independent Director

First appointed on April 26, 2019

Education Background / Training Experience

- Doctor of Philosophy (Business Administration), University of Wisconsin (Madison), USA
- Master of Business Administration (Accounting), University of Wisconsin (Madison), USA
- Bachelor of Accountancy (First Class Honors, Gold Medal), Chulalongkorn University
- Certificate in Director Accreditation Program (DAP) Class 98/2012, Thai Institute of Directors Association (IOD)
- Certificate in Audit Committee Program (ACP) Class 44/2013, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Apr 2019 - Present	Chairperson of the Audit Committee and Independent Director, Capital Nomura Securities Public Company Limited
2018 - Present	Director of Financial Management Committee, Thai PBS
2018 - Present	Director of Corporate Governance and Social Responsibility Committee, Thai PBS
2018 - Present	Independent Director and Chairperson of Audit Committee, Vinythai Public Company Limited
2017 - Present	Academic Council Committee, Rajamangala University of Technology Phra Nakhon
2017 - Present	Member of the TFAC Board, Thailand Federation of Accounting Professions under the Royal Patronage of His Majesty the King
2017 - Present	Member of the Financial and Property Committee, Walailak University
2017 - Present	Member of the Audit Subcommittee, Deposit Protection Agency
2017 - Present	Member of the Faculty of Dentistry Board, Chulalongkorn University
2016 - Present	Director of Monitoring and Evaluation Committee, Suranaree University of Technology
2014 - Present	Member of the Audit Committee, Bank of Thailand
2012 - 2017	Independent Director and Member of the Audit Committee, Vinythai Public Company Limited
2008 - 2016	Vice President (Accounting and Finance), Chulalongkorn University

Position in other firms in the previous year

Director of Financial Management Committee, Thai PBS

Director of Corporate Governance and Social Responsibility Committee, Thai PBS

Independent Director and Chairperson of Audit Committee, Vinythai Public Company Limited

Academic Council Committee, Rajamangala University of Technology Phra Nakhon

Member of the TFAC Board, Thailand Federation of Accounting Professions under the Royal Patronage of His Majesty the King

Member of the Financial and Property Committee, Walailak University

Member of the Audit Subcommittee, Deposit Protection Agency

Member of the Faculty of Dentistry Board, Chulalongkorn University

Associate Professor Danuja Kunpanitchakit, Ph.D. (continued)

Position in other firms in the previous year

Director of Monitoring and Evaluation Committee, Suranaree University of Technology
Member of the Audit Committee, Bank of Thailand

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Col. Ruangsub Kovindha

Age: 67 years, Position: Audit Committee and Independent Director

First appointed on January 18, 2002

Latest appointed on April 26, 2017

Education Background / Training Experience

- Bachelor of Science in Engineering, University of Alabama, U.S.A.
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- AC Hot Update, Preparation for New CG for Sustainability, 2017, Federation of Accounting Professions (FAP)
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
- Big Data, 2017, Apichai Sakulsureeyadej
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Assessing Company Performance Enhancing Good Corporate Governance, 2015, Asst. Prof. Mr. J. Thomas Connelly, Chulalongkorn University
- Leader Program 14, 2012, Capital Market Academy
- Received the award “Role model of the Information and Communication Technology Business Sector”, 2010, Foundation of Science and Technology Council of Thailand
- Director Accreditation Program (DAP), 2007, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Jan 2002 – Present	Audit Committee and Independent Director, Capital Nomura Securities Public Company Limited
Nov 2018 – Present	Director, Brainergy Co.,Ltd.
Jan 2018 – Present	Chief Executive Officer, United Information Highway Co., Ltd.
2015 – Present	Director, Telecom Solutions Provider Co.,Ltd.
2015 – Present	Director, BB Connect Co.,Ltd.
2015 – Present	Director, Myanmar Information Highway Ltd.
2014 – Present	Director, Cloud HM Co.,Ltd.
2013 – Present	Director, Shinasub Co.,Ltd.
2011 – Present	Director, Wide Access Co.,Ltd.
2010 – Present	Director, BB Broadband Co.,Ltd.
2017 – 2018	Director, Any Cloud Co., Ltd.
2007 – 2018	Director, I Secure Co.,Ltd.
2015 – 2017	Director, Virtual Data Center Co.,Ltd.
2015 – 2017	Director, UIH International Co.,Ltd.
2009 – 2017	Director, Top Up For You Co.,Ltd.
2007 – 2016	Director, BB Technology Co.,Ltd.
2000 – 2017	Managing Director, United Information Highway Co., Ltd.

Col. Ruangsub Kovindha (continued)

Position in other firms in the previous year

Director, Brainergy Co.,Ltd.
Chief Executive Officer, United Information Highway Co., Ltd.
Director, Telecom Solutions Provider Co.,Ltd.
Director, BB Connect Co.,Ltd.
Director, Myanmar Information Highway Ltd.
Director, Cloud HM Co.,Ltd.
Director, Shinasub Co.,Ltd.
Director, Wide Access Co.,Ltd.
Director, BB Broadband Co.,Ltd.

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mr. Prasert Virasathienpornkul

Age: 59 years, Position: Audit Committee and Independent Director

First appointed on March 10, 1998

Latest appointed on April 26, 2017

Education Background / Training Experience

- Master of Business Administration, University of Wisconsin (Madison), U.S.A.
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
- Big Data, 2017, Apichai Sakulsureeyadej
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Assessing Company Performance Enhancing Good Corporate Governance, 2015, Asst. Prof. Mr. J. Thomas Connolly, Chulalongkorn University
- Director Certification Program (DCP), 2002, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Mar 1999 – Present	Audit Committee and Independent Director, Capital Nomura Securities Public Company Limited
2012 – Jan 2017	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director, Daii Group Public Company Limited
2010 – 2016	Audit Committee and Independent Director, Kantana Group Public Company Limited
2014 – 2016	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director, Master Ad Public Company Limited
2003 – 2013	Chairman of the Audit Committee and Independent Director, Master Ad Public Company Limited

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Dr. Prasit Kanchanasakdichai

Age: 55 years, Position: Independent Director

First appointed on December 16, 2010

Latest appointed on April 25, 2016

Education Background / Training Experience

- DBA in Finance with highest score in the class as well as Beta, Gamma, Sigma Honor, Boston University, U.S.A.
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Role of the Chairman Program (RCP) 38, 2016, Thai Institute of Directors Association (IOD)
- Assessing Company Performance Enhancing Good Corporate Governance, 2015, Asst. Prof. Mr. J. Thomas Connelly, Chulalongkorn University
- Director Certification Program (DCP), 2004, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Dec 2010 – Present	Independent Director, Capital Nomura Securities Public Company Limited
Nov 2015 – Present	Chairman/CEO, Thailand Iron works Public Company Limited
Mar 2012 – Present	Managing Director, TCB Daikure Co., Ltd.
Apr 2011 – Present	Director, Daikure (Thailand) Co., Ltd.
Oct 2007 – Present	Managing Director, T.C.B. Home Center Co., Ltd.
Oct 2004 – Present	Chairman and Managing Director, Thai Const & Building Manufacturing Public Company Limited
Sep 2003 – Present	Managing Director, C.M. Manufacturing Co., Ltd.

Position in other firms in the previous year

Chairman/CEO, Thailand Iron works Public Company Limited
 Managing Director, TCB Daikure Co., Ltd.
 Director, Daikure (Thailand) Co., Ltd.
 Managing Director, T.C.B. Home Center Co., Ltd.
 Chairman and Managing Director, Thai Const & Building Manufacturing Public Company Limited
 Managing Director, C.M. Manufacturing Co., Ltd.

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mr. Somchai Thongchai

Age: 41 years, Position: Managing Director, International Investment Banking Division

First appointed on Apr 9, 2018

Education Background / Training Experience

- Bachelor of Accountancy, Chulalongkorn University
- NEXT (New Executives Training Program), 2019, Association of Thai Securities Companies (ASCO)
- Directors Certification Program (DCP), 2014, Thai Institute of Directors Association (IOD)

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Apr 2018 – Present	Managing Director, International Investment Banking Division, Capital Nomura Securities Public Company Limited
Feb 2017 – Aug 2019	Non-Executive Director, Blackbriar Co., Ltd.
Jan 2018 – Mar 2018	Country Head, Corporate Finance, PricewaterhouseCoopers ABAS Ltd.
Feb 2017 – Dec 2017	Managing Director, CLSA Securities (Thailand) Ltd.
Mar 2012 – Jan 2017	CEO & Managing Director, Barclays Capital Securities (Thailand) Ltd.

Position in other firms in the previous year

Non-Executive Director, Blackbriar Co., Ltd.

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mr. Natthapon Lohachitpitak

Age: 43 years, Position: Chief Information Officer

First appointed on May 1, 2018

Education Background / Training Experience

- Master of Science in Information Technology, Assumption University of Thailand
- Bachelor of Science in Information Technology, Assumption University of Thailand
- Process Innovation Management and Industry Transformation, 2018, Thailand Productivity Institute
- Good IT Governance: Risk Management and Data Responsibility, 2018, The Office of the Securities and Exchange Commission (SEC) and BSA I The Software Alliance
- IT Governance and Cyber Resilience Program, 2018, Thai Institute of Directors Association (IOD)
- Performance Management Based Individual KPIs, 2017, Arporn Puvitayaphan, Ph.D.

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

May 2018 – Present	Chief Information Officer, Information Technology Department, Capital Nomura Securities Public Company Limited
Jan 2004 – Apr 2018	Department Head, Information Technology Department, Capital Nomura Securities Public Company Limited

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Mrs. Krittika Tharamart

Age: 59 years, Position: Director of Retail Division 2

First appointed on May 1, 2009

Education Background / Training Experience

- Bachelor of Education, Phranakhon Rajabhat University
- Investment bond planning for a new government, 2019, The Thai Bond Market Association (ThaiBMA)
- Renewal of non-life insurance broker license No.1, 2019, Thailand Insurance Institute
- Complex Products : Bond and Mutual Fund (P2), 2018, ASCO Training Institute (ATI)
- Complex Products : Derivatives (P3), 2018, ASCO Training Institute (ATI)
- The technique of acting as investment advisor, 2018, ASCO Training Institute (ATI)
- Fintech, Opportunity for investment in Fintech Era, 2018, ASCO Training Institute (ATI)
- Certified Financial Planner (CFP) Module 5–Tax and Estate Planning, 2018, Thai Professional Finance Academy
- Prepare to adjust the bond portfolio for the upward interest, 2018, The Thai Bond Market Association and The Stock Exchange of Thailand
- Renewal of a life insurance broker license No.1, 2018, Thai Insurance Brokers Association and Thailand Insurance Institute
- Performance Management Based Individual KPIs, 2017, Arporn Puvitayaphan, Ph.D
- Ethics and Responsibilities for Financial Planners, 2016, Thai Financial Planners Association
- Certified Financial Planner (CFP) Module 4–Retirement Planning, 2016, Thai Professional Finance Academy
- Certified Financial Planner (CFP) Module 3–Insurance Planning, 2016, Thai Professional Finance Academy
- Certified Financial Planner (CFP) Module 2–Investment Planning, 2016, Thai Professional Finance Academy
- Certified Financial Planner (CFP) Module 2–Investment Planning, 2015, ASCO Training Institute (ATI)
- The policy to drive economic and Thai energy direction, 2015, The Stock Exchange of Thailand (SET)
- SEC Working Papers Forum ครั้งที่ 1 “การเปิดเผยข้อมูล M&A เร็วช้า มีผลอย่างไรและคุณภาพของข้อมูลทางบัญชีดีขึ้นหรือไม่ภายหลังการใช้ IFRS ในจีนและอินเดีย”
SEC Working Papers Forum No.1 “How has the effect of disclosure M&A information timely? And the quality of accounting has improved or not after using IFRS in China and India?”, 2015, The Office of the Securities and Exchange Commission (SEC)
- Global Investment Seminar Series: Portfolio for All Season”, 2015, Kasikorn Asset Management Co.,Ltd.
- Certified Financial Planner (CFP) Module 1–Foundation of Financial & Tax Planning, 2015, ASCO Training Institute (ATI)
- Dynamic Growth of Asia, 2014, TMB Asset Management Co., Ltd.
- Opportunity and Challenge for Investment Planner (IP), 2014, Thailand Securities Institute (TSI)
- SEC Working Papers Forum No.3 “Health Survey of listed companies”, 2014, Kasetsart University and The Office of the Securities and Exchange Commission (SEC)
- Working Papers Forum No.2 “Buy bond Stock”, 2014, Thammasat Business School and The Office of the Securities and Exchange Commission (SEC)
- Bonds: Choice for issuers and investors in down interest Era, 2014, The Thai Bond Market Association
- Certified Financial Planner (CFP) Module 1–Foundation of Financial & Tax Planning, 2014, Thai Professional Finance Academy
- Know Your Customers’ Asset Allocation, 2014, ASCO Training Institute (ATI)
- Know Your Customers’ Asset Allocation, Currency Futures, Financial Reports and Measurement, Selling Mutual Fund, 2013, ASCO Training Institute (ATI)
- EIC Project: Refresher Course for Derivative License, 2012, ASCO Training Institute (ATI)

Mrs. Krittika Tharamart (continued)**Direct and indirect shareholding in CNS (including spouse) (%)**

0.037% (800,000 shares)

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Feb 2014 – Present	Director of Retail Division 2, Capital Nomura Securities Public Company Limited
Nov 2010 – Jan 2014	Director of Retail Division 2 and Direct Department, Capital Nomura Securities Public Company Limited

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Miss Kridsana Kulpanyalert

Age: 57 years, Position: Company Secretary* and Division Head of Finance Division and the person supervising accounting (Chief Accountant)**

First appointed as the Company Secretary on March 22, 2013

Appointed as the person supervising accounting (Chief Accountant) on Oct 10, 2018

Education Background / Training Experience

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University
- (Draft) Thai Financial Reporting Standards revised version 2019 (BV2019) which are amended/added principles (8 copies), 2019, Federation of Accounting Professions
- TFRS 9, TFRS 15 and TFRS 16 : summary, impacts, regulations and case study, 2019, Federation of Accounting Professions
- Fundamental of TFRS 9 for financial and non-financial institutions, 2019, Federation of Accounting Professions
- Professional knowledge development project by Self-Study CPD No.2/2018 (Series 3), 20 hours of accounting hours, 2018, Federation of Accounting Professions
- Financial Projection to evaluate the company, 12 hours of accounting hours, 2018, The Stock Exchange of Thailand (SET)
- Issues arising from the use of Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAs), 6 hours of accounting hours, 2018, Federation of Accounting Professions
- Next Crisis? World debt crisis, 2018, The Stock Exchange of Thailand (SET) and Investment Analysts Association (IAA)
- How Big Data and Digital Technology can transform your business, 2018, Asama Kulvanitchaiyanunt, Ph.D., Coraline Co., Ltd.
- CVC new investment strategy, spark innovation to catch up with the business world, 2018, The Stock Exchange of Thailand (SET)
- Preparing for support change in Thai Financial Reporting Standards (TFRS) regarding financial instruments, 2018, The Stock Exchange of Thailand (SET)
- Anti-Corruption and AMLO, 2017, Surasak Suthamcharu, Deloitte Touche Tohmatsu Jaiyos Co., Ltd.
- Big Data, 2017, Apichai Sakulsureeyadej
- Performance Management Based Individual KPIs, 2017, Arporn Puvitayaphan, Ph.D
- TFRS 9 Updates on Securities Business, 2017, The Office of the Securities and Exchange Commission (SEC)
- New Format of Auditor Report, 2017, Department of Business Development (DBD)
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance
- Advanced Risk Management, 2016, Federation of Accounting Professions
- Consolidated Financial Statement Preparation Workshop 2, 2016, Federation of Accounting Professions
- Bond Market Analysis I, 2015, Thai Bond Market Association
- Company Reporting Program, 2015, Thai Institute of Directors Association (IOD)
- Effective minute taking and Board Reporting Program, 2015, Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP), 2015, Thai Institute of Directors Association (IOD)
- TFRS Update (revised 2014 and 2012), 2014, Federation of Accounting Professions

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Miss Kridsana Kulpanyalert (continued)**Work experience in the last 5 years (information as at June 30, 2019)**

Feb 2013 – Present	Division Head of Finance Division, Capital Nomura Securities Public Company Limited
2012	Chief Operation Officer, Alphametrics Co., Ltd

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

* Company Secretary has to perform his/her duties under the Section 89/15 and 89/16 of the Securities Exchange Act (no.4) B.E.2551 (2008), effective from August 31, 2008, with responsibility, carefulness and integrity. He/She has to comply with related rule, regulation, law and the Company's objectives and Article of Association as well as the resolutions of the Board of Directors and the Shareholders' Meeting. The Company Secretary's duties are as follows;

1. Preparing and keeping important document as the followings;
 - 1.1 Directors Register
 - 1.2 Invitation Letter for the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and Annual Report
 - 1.3 Notification Letter for the Shareholders' Meeting and Minutes of the Shareholders' Meeting.
2. Keeping the report of the conflict of interests reported by Directors or Management and submitting the copy of the report of the conflict of interests under the Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the receiving date of such report.
3. Performing any duties as required by the Capital Market Supervisory Board
4. Performing any duties as required by the Company;
 - 4.1 Arranging meetings for the Board of Directors and the Annual General Meeting of Shareholders
 - 4.2 Coordinating with regulators e.g. the Stock Exchange of Thailand and Monitoring the information disclosure and document reports to regulators and public as required by the rule, regulation and law.
 - 4.3 Providing Director briefing to newly appointed Directors
 - 4.4 Performing any duties as assigned by the Company

** The person supervising accounting (Chief Accountant) is an accountant who meets the qualifications and conditions specified by the notification of the Department of Business Development (DBD).

Mr. Somchai Wongkittikraiwan

Age: 44 years, Position: Division Head of Young Talent Financial Advisory Division

First appointed on Sep 1, 2018

Education Background / Training Experience

- Bachelor of Science, Thammasat University
- Trust-based Selling, 2019, The Stock Exchange of Thailand (SET)
- Process Innovation Management and Industry Transformation, 2018, The Stock Exchange of Thailand (SET)
- Leadership Mastery with NLP, 2018, Rong Jirayutat and Danaiya Tang-u-thaisuk, Ph.D
- Performance Management Based Individual KPIs, 2017, Arporn Puvitayaphan, Ph.D

Direct and indirect shareholding in CNS (including spouse) (%)

– None –

Family Relationship Among Directors and Executives

– None –

Work experience in the last 5 years (information as at June 30, 2019)

Sep 2018 – Present	Division Head, Young Talent Financial Advisory Division, Capital Nomura Securities Public Company Limited
Jan 2015 – Aug 2018	Department Head, Financial Advisory Department 1-31, Capital Nomura Securities Public Company Limited
Feb 2014 – Dec 2014	Deputy Department Head, Financial Advisory Department 1-31, Capital Nomura Securities Public Company Limited
Feb 2013 – Jan 2014	Assistant Department Head, Financial Advisory Department 1-31, Capital Nomura Securities Public Company Limited

Position in other firms in the previous year

– None –

Historical punishment in the past 5 years from the breach of Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

– None –

Attachment 2

Directors of Subsidiaries

Attachment 2: Directors of Subsidiaries

- No -

Attachment 3

Profile of CNS's Head of Internal Audit and Compliance Departments

Attachment 3: Profile of CNS's Head of Internal Audit and Compliance Departments As at June 30, 2019

Miss Napalai Suntives

Age: 38 years, Position: Department Head of Internal Audit Department

Education Background / Training Experience

- Master of Accountancy, Brock University, Canada
- Bachelor of Science in Business Administration (Accounting), The University of Arizona, USA
- Certified Internal Auditor (CIA), The Institute of Internal Auditors (IIA), USA
- Enhancing Good Corporate Governance based on CGR Scorecard, Thai Institute of Directors Association (IOD)

Work experience (information as at June 30, 2019)

2018 – Present	Internal Audit Department, Capital Nomura Securities Public Company Limited
2017 – 2018	Compliance Department, MoneyGram International
2015 – 2016	Exploration International Planning, Petronas Carigali Snd Bhd
2013 – 2014	Exploration Risk Management, Petronas Carigali Snd Bhd
2011 – 2013	Internal Audit and Assurance Solutions, PricewaterhouseCoopers, Malaysia
2010 – 2011	Risk and Control Solutions, PricewaterhouseCoopers ABAS Limited
2009 – 2010	Internal Audit Department, Kasikorn Bank Public Company Limited

Head of Internal Audit Department's duties are as follows:

Internal Audit Department is responsible for internal audit of the organization, report of audit results to Audit Committee and Management. The roles and responsibilities are as follows.

1. Review and evaluate the effectiveness of risk management, control, governance and anti-corruption systems in the context of both current and potential future risks.
2. To review system that may have a significant impact on the operations and reporting, to ensure compliance with policies, procedures, and the related law and regulations.
3. Review the adequacy and appropriateness of the internal control system of the organization in order to develop and improve the internal control system more effectively and appropriately.
4. Review the appropriateness of asset management including testing of the asset existent and it is used efficiently and cost effective.
5. Review and encourage continuous and consistency improvement of the system to work more effectively.
6. Perform other tasks related to the audit as assigned by the Audit Committee and/ or senior management.

Miss Penphun Palungvitvatana

Age: 59 years, Position: Department Head of Compliance Department

Education Background / Training Experience

- Master Degree in MBA (Finance), Thammasat University
- Bachelor Degree in BBA (Accounting), Assumption University
- Diploma in English and Thai Translation, Thammasat University
- Performance Management Based Individual KPIs, 2017, Arporn Puvitayaphan, Ph.D
- Information Security Management Systems: Internal Auditor (ISO/IEC 27001:2013), 2017, BSI Training Academy
- Bond Regulatory Updates, 2017, The Thai Bond Market Association (ThaiBMA)
- National e-Payment Roadmap – Benefits to securities companies, 2016, Anuchit Anuchitanukul, Ph.D., Advisor to the Minister of Finance

Work experience (information as at June 30, 2019)

Nov 2015 – Present	Compliance Department, Capital Nomura Securities Public Company Limited
2008 – 2015	Compliance & Internal Audit Department, Capital Nomura Securities Public Company Limited
1999 – 2008	Compliance Department, Capital Nomura Securities Public Company Limited
1992 – 1999	Compliance & Internal Audit Department, United Securities PLC
1985 – 1992	Bank Supervision and examination, Bank of Thailand

Head of Compliance Department's duties are as follows:

1. Encourage employees to strictly follow rules, regulation and procedures.
 - Prepare Compliance Manual together with gathering and studying related rules and regulations, giving advices or suggestions to related staff, in order to comply with the rules specified by authorities.
 - Arrange knowledge training to staff, for better understanding of related rules specified by both authorities and the company, as well as inform staff when related laws and rules are changed.
2. Monitoring and Supervision
 - Supervise the staff's operation, to comply with rules of both the authorities and the company.
 - Inform result of examination or review to related staff and his/her department head, in case of his/her operation not complying the authorities' rules or the company's procedure, and ask the staff for clarification. Then, the report shall be summarized to the Board of Executive Directors and the Board of Directors for acknowledgment and consideration.

- Identify and assess factor and risk that may cause non-compliance by CNS as necessary and appropriate, as well as of when the company develops any new business activity. Then, any respective solution shall be proposed.
- Specify client's complaint procedure, associated with following up facts and reporting the result to the Board of Executive Directors and Board of Directors for further consideration.

3. Reporting

- Report the result of compliance's issues to the Board of Directors.
- Prepare and propose annual compliance report to the Board of Directors, then send such report to related regulators.
- Coordinate with relevant departments and report to the Board of Directors on significant amendment of rules and regulations.
- Report CNS's punishment to staff who does not comply with related rules and regulations to the SEC and the SET.

Attachment 4

Asset Revaluation

Attachment 4: Asset Revaluation

- No -

Attachment 5

**Independent Auditor's Report and Financial Statements
as at June 30, 2019**

Capital Nomura Securities Public Company Limited
Report and financial statements
30 June 2019



Building a better
working world

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Independent Auditor's Report

To the Shareholders of Capital Nomura Securities Public Company Limited

Report on Audit of Financial Statements

Opinion

I have audited the accompanying financial statements of Capital Nomura Securities Public Company Limited, which comprise the statement of financial position as at 30 June 2019, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Nomura Securities Public Company Limited as at 30 June 2019, its financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures responded to each matter are described below.

1. Recognition of brokerage fees and interest on margin loans

The Company's income mainly consisted of brokerage fees and interest on margin loans, amounting to Baht 259 million and Baht 141 million, respectively, representing 41 percent and 23 percent of the Company's total revenue. The Company charges brokerage fees at variable percentages of trading volume, based on the type of customer and their trading volume, whereas interest on margin loans is charged at rates that are adjusted periodically based on market conditions. Because the size and volume of transactions, the number of customers and the fees charged to customers depend on various factors, and the recognition of revenue from brokerage fees and interest on margin loans relies primarily on data processing by information systems, I addressed the correct measurement and occurrence of brokerage fees and interest on margin loans as a key audit matter.

Key audit procedures I performed were as follows. Assessed, and tested on a sample basis, the Company's internal controls relevant to the recognition of brokerage fees and interest on margin loans, including information and technology system controls relevant to the calculation of brokerage fees and interest on margin loans. I also tested, on a sample basis, the brokerage fee rates, interest rates, calculation and account recording. In addition, I performed substantive analytical procedures relating to the brokerage fees and interest on margin loans.

2. Allowance for doubtful accounts for securities and derivatives business receivables

As discussed in Note 8.5 to the financial statements, the allowance for doubtful accounts for securities and derivatives business receivables is determined through consideration of the status of accounts receivables and the value of the collateral. The estimation of the allowance for doubtful accounts for securities and derivatives business receivables is significant because the significance of the amount of the receivables to the Company's financial statements, with securities and derivatives business receivables amounting to Baht 6,859 million as at 30 June 2019, representing 79 percent of the Company's total assets. Therefore, I addressed the adequacy of the allowance for doubtful accounts for such receivables as a key audit matter.

Key audit procedures I performed were as follows:

- Assessed, and tested on a sample basis, the Company's internal controls relevant to the status of account receivables, calculation of collateral value, calculation of allowance for doubtful debts and the recording of allowance for doubtful accounts. I also assessed the Company's method applied to the determination and calculation of the allowance, and compared the Company's policy with regulatory requirements and tested certain controls over the IT systems relevant to the calculation of the collateral value and revaluation adjustments of the fair value of collateral.
- Examined the allowance for doubtful accounts as at the period-end date by testing the status of outstanding debts, valuation of collateral, debt collection made after the period-end date and the calculation of the allowance.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report

Review Report of Interim Financial Information

I have reviewed the accompanying statements of comprehensive income and notes to the financial statements for the three-month period ended 30 June 2019 ("Interim financial information") of Capital Nomura Securities Public Company Limited. 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.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 26 August 2019

Capital Nomura Securities Public Company Limited

Statement of financial position

As at 30 June 2019

		(Unit: Baht)	
	Note	30 June 2019	31 December 2018
Assets			
Cash and cash equivalents	6	435,512,043	388,056,406
Receivables from Clearing House and broker-dealers	7	449,419,987	29,377,403
Securities and derivatives business receivables	8	6,859,292,638	8,347,760,863
Investments	10	438,314,626	702,610,769
Premises and equipment	11	85,530,514	88,899,381
Intangible assets	12	26,250,680	26,520,898
Deferred tax assets	13	78,799,240	83,881,699
Other assets	14	261,786,899	285,106,411
Total assets		8,634,906,627	9,952,213,830

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

Capital Nomura Securities Public Company Limited

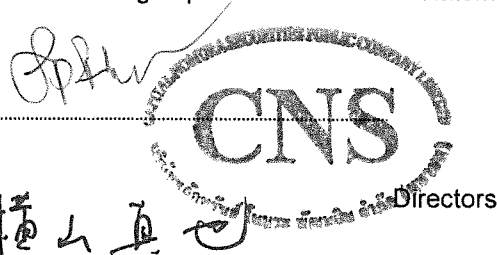
Statement of financial position (Continued)

As at 30 June 2019

(Unit: Baht)

	Note	30 June 2019	31 December 2018
Liabilities and equity			
Liabilities			
Borrowings from financial institutions	15	1,450,000,000	1,250,000,000
Payables to Clearing House and broker-dealers	16	1,763,715	478,196,476
Securities and derivatives business payables	17	1,636,737,435	2,157,293,769
Corporate income tax payables		-	37,867,940
Debt issued and other borrowings	18	-	299,532,046
Provisions for long-term employee benefits	19	132,849,568	97,412,287
Other liabilities	20	236,863,154	321,648,018
Total liabilities		3,458,213,872	4,641,950,536
Equity			
Share capital - Registered, issued and paid-up			
2,150,469,000 ordinary shares of Baht 1 each		2,150,469,000	2,150,469,000
Premium on share capital and treasury stock		2,133,320,850	2,133,320,850
Retained earnings			
Appropriated - statutory reserve	21	187,700,000	187,700,000
- general reserve		215,000,000	215,000,000
Unappropriated		490,202,905	623,773,444
Total equity		5,176,692,755	5,310,263,294
Total liabilities and equity		8,634,906,627	9,952,213,830

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



 Directors

Handwritten signature

Capital Nomura Securities Public Company Limited

Statements of comprehensive income

For the three-month and six-month periods ended 30 June 2019

(Unit: Baht)

		For the three-month periods		For the six-month periods	
		ended 30 June		ended 30 June	
	Note	2019	2018	2019	2018
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)	(Audited)
Profit or loss:					
Revenue					
Brokerage fees	23	129,152,442	179,514,061	258,632,048	417,455,388
Fees and service income	24, 29	114,594,812	71,652,066	181,733,021	211,528,293
Interest on margin loans		70,808,948	99,046,085	141,190,040	202,312,323
Gain and return on financial instruments	25	18,877,865	34,788,101	38,721,433	51,190,767
Other income		1,609,811	1,852,403	4,783,172	3,205,044
Total revenue		335,043,878	386,852,716	625,059,714	885,691,815
Expenses					
Personnel expenses		155,069,785	159,077,608	348,262,255	333,628,432
Fees and services expenses		44,281,854	44,369,303	75,429,146	126,757,165
Financial costs		13,282,129	24,706,424	25,988,553	50,858,665
Bad debt and doubtful accounts (reversal)		(43,938)	41,152,238	(43,938)	106,221,776
Other expenses		67,815,918	67,671,156	134,722,699	143,115,099
Total expenses		280,405,748	336,976,729	584,358,715	760,581,137
Profit before income tax		54,638,130	49,875,987	40,700,999	125,110,678
Income tax	13	(10,107,959)	(10,153,794)	(6,534,956)	(21,718,622)
Profit for the period		44,530,171	39,722,193	34,166,043	103,392,056

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

Capital Nomura Securities Public Company Limited

Statements of comprehensive income (continued)

For the three-month and six-month periods ended 30 June 2019

(Unit: Baht)

		For the three-month periods		For the six-month periods	
		ended 30 June		ended 30 June	
	Note	2019	2018	2019	2018
		(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)	(Audited)
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain (loss) on change in value of available-for-sale investments					
		-	(46,552)	-	(34,143)
Income tax relating to gain (loss) on change in value of available-for-sale investments					
	13	-	9,310	-	6,829
Net other comprehensive income to be reclassified to profit or loss in subsequent periods					
		-	(37,242)	-	(27,314)
Total comprehensive income (loss) for the period					
		-	(37,242)	-	(27,314)
Total comprehensive income for the period					
		<u>44,530,171</u>	<u>39,684,951</u>	<u>34,166,043</u>	<u>103,364,742</u>
Basic earnings per share					
	27				
Profit for the period					
		0.02	0.02	0.02	0.05

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

Capital Nomura Securities Public Company Limited

Statement of changes in equity

For the six-month period ended 30 June 2019

	Other components of equity -							(Unit: Baht)
	Retained earnings				revaluation surplus		Total	
	Issued and paid-up share capital	Premium on share capital and treasury stock	Appropriated		Unappropriated	on investments		
			Statutory reserve	General reserve				
Balance - as at 1 January 2018	2,150,469,000	2,133,320,850	178,800,000	215,000,000	897,521,441	27,314	5,575,138,605	
Profit for the period	-	-	-	-	103,392,056	-	103,392,056	
Other comprehensive income (loss) for the period	-	-	-	-	-	(27,314)	(27,314)	
Total comprehensive income for the period	-	-	-	-	103,392,056	(27,314)	103,364,742	
Dividend paid (Note 28)	-	-	-	-	(451,598,490)	-	(451,598,490)	
Balance - as at 30 June 2018	2,150,469,000	2,133,320,850	178,800,000	215,000,000	549,315,007	-	5,226,904,857	
Balance - as at 1 January 2019	2,150,469,000	2,133,320,850	187,700,000	215,000,000	623,773,444	-	5,310,263,294	
Profit for the period	-	-	-	-	34,166,043	-	34,166,043	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	34,166,043	-	34,166,043	
Dividend paid (Note 28)	-	-	-	-	(167,736,582)	-	(167,736,582)	
Balance - as at 30 June 2019	2,150,469,000	2,133,320,850	187,700,000	215,000,000	490,202,905	-	5,176,692,755	

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

Capital Nomura Securities Public Company Limited

Statements of cash flows

For the six-month period ended 30 June 2019

	(Unit: Baht)	
	2019	2018
Cash flows from operating activities		
Profit before income tax	40,700,999	125,110,678
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	26,691,969	25,545,635
Doubtful accounts (reversal)	(43,938)	106,221,776
Gain on revaluation of investments	(6,604,019)	(43,519,320)
Gain on disposal securities	-	(50,735)
Gain on disposal and written-off equipment	(198,911)	(17,937)
Loss on revaluation of derivatives	7,955,735	4,377,172
Financial costs	25,988,553	50,858,665
Interest and dividend income	(32,709,222)	(34,959,420)
Interest income from margin loans	(141,190,040)	(202,312,323)
Others interest income	(630,076)	(610,939)
Long-term employee benefits	37,490,281	4,455,268
Income from operating activities before changes in operating assets and liabilities	(42,548,669)	35,098,520
Operating assets (increase) decrease		
Receivables from Clearing House and broker-dealers	(427,998,319)	(132,551,340)
Securities and derivatives business receivables	1,486,986,822	1,268,186,716
Trading securities	274,785,790	268,358,723
Other assets	20,615,370	(18,393,561)
Operating liabilities increase (decrease)		
Borrowings from financial institutions	200,000,000	(800,000,000)
Payables to Clearing House and broker-dealers	(476,432,761)	(639,281,242)
Securities and derivatives business payables	(523,396,648)	306,739,965
Debt issued and other borrowings	(299,532,046)	299,517,276
Provision for long-term employee benefits	(2,053,000)	-
Other liabilities	(85,852,419)	(75,584,558)
Cash received from operating activities	124,574,120	512,090,499

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

Capital Nomura Securities Public Company Limited**Statements of cash flows (Continued)****For the six-month period ended 30 June 2019**

	(Unit: Baht)	
	2019	2018
Cash received from dividend	3,617,400	10,674,420
Cash paid for interest expenses (included other financial costs)	(24,114,694)	(50,955,277)
Cash received from interest	14,292,995	6,076,323
Cash received from interest on margin loans	142,715,069	206,934,265
Cash received from other interest	987,293	(342,014)
Cash paid for income tax	(44,442,153)	(60,814,216)
Net cash from operating activities	217,630,030	623,664,000
Cash flows from investing activities		
Cash received from disposal of available-for-sale securities	-	1,582,615
Net cash paid for held-to maturity debt securities	(4,644)	(62,316,844)
Cash paid for purchase other investment	-	(256,800)
Cash paid for acquisition of equipment	(22,107,279)	(7,361,832)
Cash received from sales of equipment	2,146,523	183,010
Cash paid for acquisition of intangible assets	(2,876,439)	(4,249,524)
Cash received from interest	19,967,000	17,815,302
Cash received from dividend	437,028	209,775
Net cash used in investing activities	(2,437,811)	(54,394,298)
Cash flows from financing activities		
Dividends paid	(167,736,582)	(451,598,490)
Net cash used in financing activities	(167,736,582)	(451,598,490)
Net increase in cash and cash equivalents	47,455,637	117,671,212
Cash and cash equivalents at the beginning of the period	388,056,406	280,286,527
Cash and cash equivalents at the end of the period	435,512,043	397,957,739

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

Capital Nomura Securities Public Company Limited

Notes to financial statements

For the six-month period ended 30 June 2019

1. General information

Capital Nomura Securities Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Nomura Asia Investment (Singapore) Pte. Ltd., which was incorporated in Singapore. The ultimate parent company of the Group is Nomura Holdings, Inc. The Company is principally engaged in the securities and derivatives with business of securities brokerage, derivatives brokerage, selling agent, securities dealing, securities borrowing and lending services, investment and financial advisory and securities underwriting.

The registered office of the Company is at 25 Bangkok Insurance Building, 15th - 17th Floor, South Sathorn Road, Thungmahamak, Sathorn, Bangkok. As at 30 June 2019, the Company has 16 branches including a headquarter, 15 branches in Bangkok and up country.

2. Basis of the preparation of the financial statements

These financial statements for the six-month period ended 30 June 2019 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and they are presented in compliance with requirement of the Notification of the Office of the Securities and Exchange Commission relating to the format of the financial statements of securities companies (version 2), No. Sor. Thor. 22/2559 dated 2 June 2016.

The statements of comprehensive income and notes to the financial statements for the three-month period ended 30 June 2019 are prepared in accordance with Thai Accounting Standard No. 34 (revised 2018) "Interim Financial Reporting", whereby the Company chooses to present the statements of comprehensive income and notes to the financial statements in the same full format as that used for the annual financial statements.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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:

TFRS 15 Revenue from Contracts with Customers

TFRS 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

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.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

a) Brokerage fees

Brokerage fees on securities and derivatives business are recognised as income on the transaction dates.

b) Fees and service income

Fees and service income are recognised as income when services have been rendered taking into account the stage of completion.

c) Gain and return on financial instruments

Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives are recognised as income/expenses on the transaction dates.

Interest and dividend

Interest is recognised as income on an accrual basis. Dividend from investments is recognised when the right to receive the dividends is established.

d) Interest on margin loans

Interest is recognised as interest accrues based on a time proportion basis, but where there is uncertainty as to the collectability of loans and interest the Company ceases accrual.

In the following cases collectability of loans and interest is held to be uncertain.

- 1) Loans which are not fully collateralised.
- 2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue for more than 3 months.
- 3) Other receivables of which interest payment is overdue 3 months or more.

These conditions are based on the guidelines stipulated by the Office of Securities and Exchange Commission in Notification No. Kor. Thor. 5/2544 dated 15 February 2001.

4.2 Expense recognition

Expenses are recognised on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, all bank deposit accounts maturing within 3 months or less from the date of acquisition, 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.

4.4 Recognition and amortisation of customers' deposits assets

Assets which customers have placed with the Company for securities trading, both through cash accounts and credit balance accounts, including amounts which customers have placed as security for derivatives trading, are recorded as assets and liabilities of the Company for internal control purposes. As at the end of the reporting date, the Company excludes the amounts which are unsecured from both assets and liabilities and presents only those assets which belong to the Company.

4.5 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 "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing 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 period.

The Company adjust the balance of securities borrowing payables for which the borrowed securities have been sold short based on the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the period. 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".

Fees for borrowing and lending are recognised on an accrual basis over the term of the period.

4.6 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of those securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as gain (loss) on remeasuring investments in other comprehensive income in the statements of comprehensive income, and will be recorded in profit or loss when the securities are sold.

- c) Investment in held-to-maturities debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/ accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities which are classified as other investments are valued at cost net of allowance of impairment (if any).
- e) The fair value of marketable securities is based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- f) Losses on impairment of the investments (if any) are included in profit or loss when there is a factor indicating that such investments might be impaired.
- g) The weighted average method or the first in - first out (FIFO) method is used for computation of the cost of investments. On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.
- h) In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other comprehensive income in the statements of comprehensive income, depending on the type of investment that is reclassified.

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

Receivables from/payables to Clearing House and broker-dealers comprise the net balance receivables from/payables to Thailand Clearing House in respect of securities trades settled and derivative trading, and also include amounts pledged with Thailand Clearing House as security for derivatives trading and the net balance of receivables from/payables to overseas securities companies in respect of overseas securities trades settle through those companies.

4.8 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities and derivatives business receivables, after deducting allowance for doubtful accounts, and also including related accrued interest receivables.

In addition, securities business receivables comprise the net receivables balances of cash accounts, credit balance accounts for which the securities purchased are used as collateral, securities borrowing and lending receivables and guarantee deposit receivables (which comprise cash placed as guarantee for securities borrowing payables or Thailand Clearing House) as well as other receivables such as overdue cash customers accounts and securities receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

The Company has provided an allowance for doubtful accounts based on a review of debtor's ability to make repayment, taking into consideration recovery risk, and the value of the collateral. An allowance is set aside for doubtful debts not fully covered by collateral and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the following guidelines.

- a) Assets classified as doubtful loss are to satisfy the following criteria.
 - (1) Loans balance which the Company has already made every effort to collect, but which remain unpaid and which the Company has already written-off in accordance with tax legislation.
 - (2) Loans balance which the Company has forgiven.
- b) Doubtful debt is defined as the uncollateralised portion of the value of a debt which meets the following criteria.
 - (1) General loans and other loans for which the collateral value is less than the loan balance.
 - (2) Installment loans with repayments scheduled less frequently than every 3 months and for which principal or interest is overdue by more than 3 months.
 - (3) Installment loans with repayment scheduled no less frequently than every 3 months, unless there is clear evidence and high degree of certainty that full repayment will be received.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).

Loans classified as doubtful loss will be written-off when identified. Allowance for doubtful account will be set aside for loans classified as doubtful at not less than 100 percent of the loan balance plus any additional specific loans which may not be fully recovered. The above guideline is in accordance with Notification No. Kor. Thor. 33/2543 dated 25 August 2000 which is updated by Notification No. Kor. Thor. 5/2544 dated 15 February 2001 of the Office of the Securities and Exchange Commission.

4.9 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	20 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 derecognised 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 recognised in profit or loss when the asset is derecognised.

4.10 Intangible assets and amortisation

Intangible assets acquired are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives is amortised for a period of 5 years.

4.11 Income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences, to the extent it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

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

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

4.12 Property foreclosed

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

4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss.

4.14 Borrowings from financial institution

Borrowings from financial institution is recognised initially at the fair value of the proceeds received. borrowings from financial institution is subsequently stated at amortised cost, using the effective interest method. Any difference between proceeds and the redemption value is recognised in the statements of comprehensive income over the period of the borrowings.

4.15 Securities and derivatives business payables

Securities and derivatives business payables are the obligations of the Company in respect of its securities and derivatives business with outside parties, such as the net payable balances of cash accounts, securities delivery obligations as a result of short sales or securities borrowing, and obligations to return assets held by the Company as collateral for securities lending.

4.16 Debt issued

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

4.17 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.

4.18 Long-term leases

Leases of assets that all the significant risk and rewards of ownership are retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

4.19 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.

Gains and losses on exchange are included in determining income.

4.20 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses, contribution to the social security fund and annual leave are recognised as expenses when incurred.

b) Post-employment benefits (Defined contribution plans)

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

c) Post-employment benefits (Defined benefit plans)

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.21 Derivatives - Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in profit or loss. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

4.22 Provisions

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

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categories within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimation. The significant judgements and accounting estimates are as follows:

5.1 Allowances for loan losses for securities and derivative business receivables

Allowances for doubtful accounts for securities and derivatives business receivables are intended to adjust the values of receivables for probable credit losses. The management uses the SEC's regulations regarding the provision of allowance for doubtful accounts and judgement to establish reserves for estimated losses for each outstanding receivable when there is any doubt about the receivable's capability to repay the debt. The allowances for doubtful accounts are determined through a combination of specific reviews, probability of default and the value of the securities used as collateral.

5.2 Impairment of investments

The Company reviews and set up allowance for impairment of investment when indication of impairment exists. The determination of what is indication of impairment requires judgement of management to estimate the expected loss by considering the status of each investment item.

5.3 Deferred tax assets

Deferred tax assets are recognised in respect of temporary differences only to the extent that it is highly probable that taxable profit will be available against which these differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.4 Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement 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.

5.5 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 judgement, 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.

5.6 Premises and equipment/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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.7 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.

6. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2019	31 December 2018
Cash	68,000	68,000
Current deposits and saving deposits	803,593,558	1,108,210,434
Promissory notes at call	257,000,000	322,000,000
Total cash and cash equivalents	1,060,661,558	1,430,278,434
Less: Deposits for customers' account	(625,149,515)	(1,042,222,028)
Cash and cash equivalents	435,512,043	388,056,406

	(Unit: Baht)	
	For the six-month period ended 30 June	
	2019	2018

Supplemental cash flows information

Non-cash transactions

Accounts payable for purchase of fixed assets		
and intangible assets	66,178	673,897

7. Receivables from Clearing House and broker-dealers

	(Unit: Baht)	
	30 June 2019	31 December 2018
Receivables from Clearing House		
Equity and debt securities	433,442,317	-
Derivatives	59,199,234	60,739,930
Total receivables from Clearing House and broker-dealers	492,641,551	60,739,930
Less: Receivables from Clearing House for customers' accounts	(43,221,564)	(31,362,527)
Receivables from Clearing House and broker-dealers	449,419,987	29,377,403

8. Securities and derivatives business receivables

	(Unit: Baht)	
	30 June 2019	31 December 2018
<u>Securities business receivables</u>		
Cash accounts	428,828,643	1,587,809,217
Credit balances receivables	5,566,876,912	5,602,956,803
Guaranteed deposit receivables	453,443,372	643,489,847
Receivables under securities borrowing and lending business	384,746,705	487,100,192
Other receivables	113,680,828	113,967,095
Total securities business receivables	6,947,576,460	8,435,323,154
Add: Accrued interest receivables	23,706,668	25,232,010
Less: Allowance for doubtful accounts	(113,148,579)	(113,192,517)
Net securities business receivables	6,858,134,549	8,347,362,647
<u>Derivatives business receivables</u>		
Derivatives business receivables	1,158,089	398,216
Total derivatives business receivables	1,158,089	398,216
Net securities and derivatives business receivables	6,859,292,638	8,347,760,863

- 8.1 As at 30 June 2019, the Company has securities business receivables of approximately Baht 113 million on which the recognition of income on an accrual basis has been suspended (31 December 2018: Baht 113 million).

- 8.2 As at 30 June 2019 and 31 December 2018, the Company has classified its securities business receivables including related interest receivable as follows, in accordance with the relevant guidelines issued by the Office of the Securities and Exchange Commission governing accounting for the doubtful debts of securities companies. The classification is as follows:

	(Unit: Thousand Baht)		
	30 June 2019		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	6,858,737	-	6,858,737
Substandard	106,778	(106,222)	556
Doubtful	6,927	(6,927)	-
Total	6,972,442	(113,149)	6,859,293
	(Unit: Thousand Baht)		
	31 December 2018		
	Debt balance	Allowance for doubtful accounts	Debt balance net of allowance for doubtful accounts
Normal	8,346,962	-	8,346,962
Substandard	107,021	(106,222)	799
Doubtful	6,971	(6,971)	-
Total	8,460,954	(113,193)	8,347,761

- 8.3 On 23 January 2018, the Company received an order from a government agency ordering the Company to hold all collateral belonged to a certain credit balance client. On 3 May 2018, the Company received an order from the same government agency which released part of the share collateral. As of 30 June 2019, the credit balance receivable was Baht 106 million with the total collateral value of Baht 243 million approximately, which has still been frozen under the order. The Company has already filed a civil lawsuit to claim for the whole receivable amount from the client, while the client answered and counter-claimed that the Company was not entitled to file the case and asked for compensation. Nonetheless, the management, by the Company's external counsel's legal opinion, considered that the counter-claim is defensible and the possibility to get additional loss is remote. In this regard, the Court has ordered on 27 May 2019 the rejection of partial counter claim and the Client is appealing the said court order. Also, the Company has petitioned the court to release such collateral in accordance with the relevant laws. For prudence reason, the Company classified such account balance as substandard and set up the allowance for doubtful account for this case at Baht 106 million. The Company believed that the provision is sufficient and appropriate.

8.4 As at 30 June 2019, guaranteed deposit receivables of approximately Baht 453 million 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 404 million (31 December 2018: Baht 643 million and Baht 588 million, respectively).

8.5 Allowance for doubtful accounts

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
Balance - beginning of the period	113,193	6,971
Change during the period	(44)	106,222
Balance - end of the period	113,149	113,193

9. Derivative assets/liabilities

	(Unit: Baht)		
	30 June 2019		
	Fair value		Notional
	Assets	Liabilities	amount
<u>Trading derivatives</u>			
Futures ⁽¹⁾	-	-	352,847,500
Total	-	-	352,847,500

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of outstanding futures contracts as at the end of period/year included in "Receivables from Clearing House and broker-dealers". As at 30 June 2019, the fair value of derivative assets and liabilities for futures contracts are Baht 4 million and Baht 5 million respectively.

	(Unit: Baht)		
	31 December 2018		
	Fair value		Notional
	Assets	Liabilities	amount
<u>Trading derivatives</u>			
Futures ⁽¹⁾	-	-	213,710,450
Total	-	-	213,710,450

⁽¹⁾ Futures contracts are cash settlement. Real exposure is difference between cost of futures contracts and underlying assets level on settlement date, fair value of outstanding futures contracts as at the end of period/year included in "Receivables from Clearing House and broker-dealers". As at 31 December 2018, the fair value of derivative assets and liabilities for futures contracts are Baht 11 million and Baht 4 million respectively.

10. Investments

10.1 Classified by type of investments

(Unit: Baht)

	30 June 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<u>Trading securities</u>				
Listed equity securities	333,037,155	335,635,250	107,847,890	101,319,000
Add (Less) : Allowance for revaluation	2,598,095	-	(6,528,890)	-
Total listed equity securities-net	335,635,250	335,635,250	101,319,000	101,319,000
Debt securities	-	-	499,975,055	499,979,550
Add : Allowance for revaluation	-	-	4,495	-
Total debt securities-net	-	-	499,979,550	499,979,550
Net trading securities	335,635,250		601,298,550	
<u>Held-to-maturity debt securities</u>				
Deposits subject to restriction	84,505,103		84,286,881	
Treasury bill	2,421,285,308		2,935,444,486	
Total	2,505,790,411		3,019,731,367	
Less: Investments for customer's accounts	(2,408,339,703)		(2,923,647,816)	
Net held-to-maturity debt securities	97,450,708		96,083,551	
<u>Other investments</u>				
Non-marketable equity securities	14,452,260		14,452,260	
Less: Allowance for impairment	(9,223,592)		(9,223,592)	
Net other investments	5,228,668		5,228,668	
Net investments	438,314,626		702,610,769	

10.2 Debt securities classified by remaining periods to maturity

As at 30 June 2019 and 31 December 2018, the Company classified investments in held-to-maturity debt securities by remaining periods to maturity as follows:

(Unit: Baht)

	30 June 2019			
	Due within			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity debt securities				
Deposits subject to restriction	84,505,103	-	-	84,505,103
Treasury bill	2,421,285,308	-	-	2,421,285,308
Less: Investments for customer's accounts	(2,408,339,703)	-	-	(2,408,339,703)
Total investments in held-to-maturity debt securities	97,450,708	-	-	97,450,708

(Unit: Baht)

31 December 2018				
	Due within			Total
	Within 1 year	1 - 5 years	Over 5 years	
Held-to-maturity debt securities				
Deposits subject to restriction	84,286,881	-	-	84,286,881
Treasury bill	2,935,444,486	-	-	2,935,444,486
Less: Investments for customer's accounts	(2,923,647,816)	-	-	(2,923,647,816)
Total investments in held-to-maturity debt securities	96,083,551	-	-	96,083,551

10.3 Other components of equity - revaluation surplus (deficit) on investments

(Unit: Baht)

	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
Balance - beginning of the period	-	27,314
Changes during the period from		
Revaluation	-	16,592
Disposal	-	(50,735)
Deferred income tax	-	6,829
Balance - end of the period	-	-

11. Premises and equipment

(Unit: Baht)

For the six-month period ended 30 June 2019						
	Condominium units	Office equipment	Furniture and fixtures	Motor vehicles	Work in progress	Total
Cost						
1 January 2019	22,704,701	308,745,570	166,795,984	27,828,946	-	526,075,201
Additions	-	21,054,838	440,117	-	678,502	22,173,457
Transfer in / out	-	-	678,502	-	(678,502)	-
Disposals/write-off	-	(23,730)	-	(3,380,000)	-	(3,403,730)
30 June 2019	22,704,701	329,776,678	167,914,603	24,448,946	-	544,844,928
Accumulated depreciation						
1 January 2019	18,441,571	266,488,620	143,166,474	9,079,155	-	437,175,820
Depreciation for the period	-	17,197,040	4,808,281	1,589,391	-	23,594,712
Depreciation on disposal /write-off	-	(8,360)	-	(1,447,758)	-	(1,456,118)
30 June 2019	18,441,571	283,677,300	147,974,755	9,220,788	-	459,314,414
Net book value						
30 June 2019	4,263,130	46,099,378	19,939,848	15,228,158	-	85,530,514
Depreciation for the six-month periods ended 30 June						
2018						23,229,451
2019						23,594,712

(Unit: Baht)

For the year ended 31 December 2018						
	Condominium units	Office equipment	Furniture and fixtures	Motor Vehicles	Work in progress	Total
Cost						
1 January 2018	22,704,701	304,160,567	164,323,178	23,911,946	-	515,100,392
Additions	-	2,460,712	907,092	3,917,000	12,511,221	19,796,025
Transfer in / transfer out	-	9,075,269	3,435,952	-	(12,511,221)	-
Disposals/write-off	-	(6,950,978)	(1,870,238)	-	-	(8,821,216)
31 December 2018	22,704,701	308,745,570	166,795,984	27,828,946	-	526,075,201
Accumulated depreciation						
1 January 2018	18,441,571	240,047,222	135,333,135	5,888,051	-	399,709,979
Depreciation for the year	-	33,385,282	9,324,868	3,191,104	-	45,901,254
Depreciation on disposal /write-off	-	(6,943,884)	(1,491,529)	-	-	(8,435,413)
31 December 2018	18,441,571	266,488,620	143,166,474	9,079,155	-	437,175,820
Net book value						
31 December 2018	4,263,130	42,256,950	23,629,510	18,749,791	-	88,899,381

As at 30 June 2019, the Company premises and office equipment have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 354 million (31 December 2018: Baht 314 million).

12. Intangible assets

(Unit: Baht)

		For the six-month period ended 30 June 2019				
	Remaining	Balance				Balance
	amortisation	beginning of	Increase/		Disposals/	end of
	period	the period	transfer in	Amortised	transfer out	the period
Computer software	0 - 4.84 years	30,727,854	8,553,407	-	-	39,281,261
Software in progress		15,577,097	2,325,799	-	(8,553,408)	9,349,488
Total intangible assets		46,304,951	10,879,206	-	(8,553,408)	48,630,749
Less: Accumulated amortisation		(19,784,053)	-	(2,596,016)	-	(22,380,069)
Net intangible assets		26,520,898	10,879,206	(2,596,016)	(8,553,408)	26,250,680

Amortisation expenses for the six-month periods ended 30 June

2018	1,809,763
2019	2,596,016

(Unit: Baht)

		For the year ended 31 December 2018				
	Remaining	Balance				Balance
	amortisation	beginning of	Increase/		Disposals/	end of
	period	the year	transfer in	Amortised	transfer out	the year
Computer software	0 - 4.92 years	23,441,165	7,286,689	-	-	30,727,854
Software in progress		5,592,658	16,257,882	-	(6,273,443)	15,577,097
Total intangible assets		29,033,823	23,544,571	-	(6,273,443)	46,304,951
Less: Accumulated amortisation		(16,106,395)	-	(3,677,658)	-	(19,784,053)
Net intangible assets		12,927,428	23,544,571	(3,677,658)	(6,273,443)	26,520,898

13. Deferred tax assets/liabilities and income tax

Income tax expenses for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

	(Unit: Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax	-	13,281,688	-	10,078,433
Adjustment in respect of income tax of prior period	(18)	38,520	(18)	38,520
Deferred tax:				
Relating to origination and reversal of temporary differences	10,107,977	(3,166,414)	6,534,974	11,601,669
Income tax expense reported in the statement of comprehensive income	10,107,959	10,153,794	6,534,956	21,718,622

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

	(Unit: Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2019	2018	2019	2018
Deferred tax relating to gain (loss) on re-measuring available-for-sale investments	-	9,310	-	6,829
	-	9,310	-	6,829

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rates for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Baht)				
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2019	2018	2019	2018
Accounting profit before tax	54,638,130	49,875,987	40,700,999	125,110,678
Applicable tax rate	20 percent	20 percent	20 percent	20 percent
Accounting profit before tax multiplied by applicable tax rate	10,927,626	9,975,197	8,140,200	25,022,136
Adjustment in respect of income tax of prior period	(18)	38,520	(18)	38,520
Effects of:				
Non-deductible expense	150,027	183,982	323,883	328,324
Non-taxable income	(94,655)	(38,956)	(178,163)	(82,761)
Additional expense deductions allowed	(875,021)	(4,949)	(1,750,946)	(3,587,597)
Total	(819,649)	140,077	(1,605,226)	(3,342,034)
Income tax expenses reported in the statement of comprehensive income	10,107,959	10,153,794	6,534,956	21,718,622

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)	
	30 June 2019	31 December 2018
Deferred tax assets		
Allowance for impairment of investments	1,844,719	1,844,719
Allowance for impairment of property foreclosed	5,570,240	5,570,240
Allowance for doubtful accounts/allowance for other receivables	22,644,595	22,653,383
Provisions for long-term employee benefits	26,569,914	19,482,457
Accrued employee expenses	14,330,119	23,650,751
Unutilised tax loss	1,013,713	-
Others	7,016,888	12,555,956
Total deferred tax assets	78,990,188	85,757,506
Deferred tax liabilities		
Others	(190,948)	(1,875,807)
Total deferred tax liabilities	(190,948)	(1,875,807)
Net deferred tax assets	78,799,240	83,881,699

14. Other assets

	(Unit: Baht)	
	30 June 2019	31 December 2018
Loans to employees	57,308,984	56,443,744
Contribution for Securities Clearing Fund	86,892,586	81,528,478
Prepaid expenses	30,337,331	48,393,536
Deposits	18,548,877	18,547,936
Property foreclosed (net of allowance for impairment of Baht 28 million)	15,000,000	15,000,000
Accrued interest receivables	1,139,102	8,463,720
Deposit for derivative business	5,000,000	5,000,000
Fees and service income receivables	36,993,186	46,055,929
Others	10,566,833	5,673,068
Total other assets	261,786,899	285,106,411

15. Borrowings from financial institutions

As at 30 June 2019 and 31 December 2018, borrowings from financial institutions comprising only domestic borrowings and are classified as follows:

(Unit: Thousand Baht)				
	30 June 2019			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Less than 1 year	1 - 5 years Total
Promissory notes	1.950 - 2.145	750,000	400,000	- 1,150,000
Borrowings				
Borrowings (THB)	1.844	-	200,000	100,000 300,000
Total borrowings from financial institutions		750,000	600,000	100,000 1,450,000

(Unit: Thousand Baht)				
	31 December 2018			
	Interest rate per annum (percent)	Remaining period to maturity		
		At call	Less than 1 year	1 - 5 years Total
Promissory notes	1.950 - 2.300	200,000	750,000	- 950,000
Borrowings				
Borrowings (THB)	1.844	-	200,000	100,000 300,000
Total borrowings from financial institutions		200,000	950,000	100,000 1,250,000

Movement of the borrowings from financial institutions are borrowings from bank during the six-month period ended 30 June 2019 and for the year ended 31 December 2018 are summarised below:

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
Balance - beginning of the period	300,000	1,100,000
Add: Additional borrowings	-	-
Less: Repayment	-	(800,000)
Balance - end of the period	300,000	300,000

As at 30 June 2019, the above borrowings of Baht 300 million (31 December 2018: Baht 300 million) are borrowings from domestic bank and the Bangkok branch of the overseas banks, with maturities of 1-2 years counting from contract date. The interest is carried at fixed rates per annum, payable as specified in the loan agreements. The loan agreements contain conditions whereby the Company is obliged to pay unwinding fees arising as a result of the Company terminating the agreements or prepaying the borrowings before the maturity date, which is calculated based on the conditions as specified in the loan agreements.

16. Payables to Clearing House and broker - dealers

	(Unit: Baht)	
	30 June 2019	31 December 2018
Payables to Clearing House		
Equity and debt securities	-	477,419,298
Derivatives	1,141,330	777,178
Payables from foreign companies	622,385	-
Total payables to Clearing House and broker-dealers	1,763,715	478,196,476

17. Securities and derivatives business payables

	(Unit: Baht)	
	30 June 2019	31 December 2018
<u>Securities business payables</u>		
Cash accounts	835,749,080	1,058,364,344
Guarantee deposit payables	393,040,347	506,421,459
Payable under securities borrowing and lending business	404,311,705	588,335,692
Total securities business payables	1,633,101,132	2,153,121,495
Accrued interest payables	3,471,343	3,149,500
Total securities business payables	1,636,572,475	2,156,270,995
<u>Derivatives business payables</u>		
Derivatives business payables	164,960	1,022,774
Total derivatives business payables	164,960	1,022,774
Net securities and derivatives business payables	1,636,737,435	2,157,293,769

18. Debt issued and other borrowings

(Unit: Baht)				
31 December 2018				
	Interest	Remaining period to maturity		
	rate/discount			
	Per annum (percent)	Less than 1 year	1 - 5 years	More than 5 years
Debt issued				
Bills of exchange				
(Zero - coupon note with				
Baht 300 million face value)	1.64	299,532,046	-	-
Total		299,532,046	-	-

19. Provisions for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employees' retirement, are as follows:

(Unit: Baht)		
	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
Provisions for long-term employee benefits at beginning of period	97,412,287	100,043,281
Included in profit or loss:		
Current service cost	3,232,653	6,693,140
Past service cost	33,088,969	-
Interest cost	1,168,659	2,217,396
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	1,844,839
Financial assumptions changes	-	(6,354,479)
Experience adjustments	-	(7,031,890)
Benefits paid during the year	(2,053,000)	-
Provisions for long-term employee benefits at end of period	132,849,568	97,412,287

Long-term employee benefit expenses included in the profit or loss are as follows:

(Unit: Baht)		
	For the six-month periods ended 30 June	
	2019	2018
Current service cost	3,232,653	3,346,570
Past service cost	33,088,969	-
Interest cost	1,168,659	1,108,698
Total expense recognised in profit or loss	37,490,281	4,455,268

The Company has obligation relating to long-term employee benefits expected to be paid to its employees in the next one year amount of Baht 13 million.

As at 30 June 2019, the weighted average duration of the liabilities for long-term employee benefit was 12.63 years.

Significant actuarial assumptions are summarised below:

	30 June 2019	31 December 2018
Discount rate	2.4 percent per annum	2.4 percent per annum
Salary increase rate	5 - 6 percent per annum	5 - 6 percent per annum
Average turnover rate	3 - 32 percent per annum based on employee's year of services	3 - 32 percent per annum based on employee's year of services

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 June 2019 and 31 December 2018 are summarised below:

(Unit: Million Baht)

	30 June 2019		31 December 2018	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(4.7)	5.1	(4.1)	4.4
Salary increase rate	4.9	(4.6)	4.0	(3.7)

(Unit: Million Baht)

	30 June 2019		31 December 2018	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Average turnover rate	(3.6)	3.9	(2.9)	3.1

20. Other liabilities

(Unit: Baht)

	30 June 2019	31 December 2018
Accrued employee expenses	73,152,031	132,339,173
Accrued interest expenses	6,193,170	4,641,153
Accrued expenses	35,401,799	35,923,458
Others	122,116,154	148,744,234
Total other liabilities	236,863,154	321,648,018

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

As at 31 December 2018, the Company allotted profit of Baht 8.9 million to the statutory reserve.

22. 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.

23. Brokerage fee income

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Brokerage fee from securities business	115,780,692	161,230,741	230,298,600	376,389,933
Brokerage fee from derivatives business	13,371,750	18,283,320	28,333,448	41,065,455
Total brokerage fees income	<u>129,152,442</u>	<u>179,514,061</u>	<u>258,632,048</u>	<u>417,455,388</u>

24. Fees and service income

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Underwriting fee	13,007,625	20,055	18,939,625	20,055
Financial advisory	5,971,019	600,000	6,471,019	1,300,000
Selling agent	52,820,054	41,323,583	88,389,476	143,387,210
Securities borrowing and lending	29,657,877	9,192,738	33,637,404	19,550,805
Business support	12,960,075	20,349,529	33,535,724	46,533,469
Others	178,162	166,161	759,773	736,754
Total fees and service income	<u>114,594,812</u>	<u>71,652,066</u>	<u>181,733,021</u>	<u>211,528,293</u>

25. Gain and return on financial instruments

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Gain (loss) on securities	16,048,100	(16,337,572)	22,831,686	12,209,303
Gain (loss) on derivatives	(15,185,910)	27,906,497	(16,819,475)	4,022,044
Interest and dividend	18,015,675	23,219,176	32,709,222	34,959,420
Total gain and return on financial instruments	18,877,865	34,788,101	38,721,433	51,190,767

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E 2530. The employees contribute to the fund monthly at the rate of 5 - 15 percent of basic salary and the Company contribute to the fund monthly at the rate of 5 - 10 percent of basic salary. The Fund is managed by TISCO Asset Management Limited and will be paid to the employees upon termination in accordance with the fund rules.

During the six-month period ended 30 June 2019, the Company contributed Baht 13.9 million to the fund (2018: Baht 13.3 million).

In addition to the contributory registered provident fund, the Company has established a provision for an additional plan for employees who work with the Company for over 5 years and over 10 years. The plan is unfunded and is provided only for employees who joined the Company prior to 15 July 1986. Liabilities under this plan have been presented as part of "Other liabilities".

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares outstanding during the period.

28. Dividends

During the periods, the Company declared the following dividends for payment to shareholders:

	Approved by	Total dividend declaration (Million Baht)	Dividend declaration per share (Baht)
Dividends from the operating results for the year ended 31 December 2018	The annual ordinary meeting of the Company's shareholders No. 1/2562 on 26 April 2019	168	0.078 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)
Dividends from the operating results for the year ended 31 December 2017	The annual ordinary meeting of the Company's shareholders No. 1/2561 on 27 April 2018	452	0.21 (from 2,150,469,000 ordinary shares at par value of Baht 1 each)

29. Related party transactions

During the periods, the Company had significant business transactions with the following related parties.

Related parties	Relationship
Nomura Holding., Inc.	Ultimate parent company
Nomura Singapore Limited	Having common major shareholders
Nomura Securities Co., Ltd.	Having common major shareholders
Nomura International (Hong Kong) Limited	Having common major shareholders
Nomura International Plc.	Having common major shareholders
Instinet Pacific Limited	Having common major shareholders
United Information Highway Co., Ltd.	Having common director

Such transactions with its related companies were concluded on the commercial terms and based agree upon by the Company and those companies in the ordinary course of business. The significant transactions are summarised below.

(Unit: Baht)					
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		Pricing policies
	2019	2018	2019	2018	(for the period 2019)
<u>Transactions occurred during the periods</u>					
Brokerage fees income					
- Nomura International Plc.	-	17,647	-	64,615	At normal rate charged to other clients
- Instinet Pacific Limited	11,473,196	14,710,700	22,394,935	31,697,071	At normal rate charged to other clients
- Director	-	-	67,100	114,634	At normal rate charged to other clients
Fees income from business support services					
- Nomura Singapore Limited	3,975,169	3,870,000	7,605,169	7,740,000	At actual costs plus a margin of 10 percent
Fees income from international investment banking services					
- Nomura Singapore Limited	5,100,000	10,766,436	13,074,459	15,557,391	At actual costs plus a margin of 10 percent
Fees income from introducing broker					
- Nomura Singapore Limited	115,049	74,875	646,777	245,119	Based on actual executed transactions of our referred customers and at the rate as indicate in the agreement referred to similar business
Fees income from securities borrowing and lending					
- Nomura International Plc.	317,493	36,010	317,493	58,421	At normal rate charged to other clients
- Instinet Pacific Limited	40,839	266,937	49,707	311,377	At normal rate charged to other clients

					(Unit: Baht)
		For the three-month periods ended 30 June		For the six-month periods ended 30 June	
		2019	2018	2019	2018
					Pricing policies (for the period 2019)
<u>Transactions occurred during the period (continued)</u>					
Fees income from other services					
- Nomura Securities Co., Ltd.	1,410,940	1,619,405	2,834,095	10,409,854	At the contract rate determined by extend and amount of work assigned
- Nomura International (Hong Kong) Limited	964,742	-	964,742	-	At the contract rate determined by extend and amount of work assigned
- Nomura Singapore Limited	987,789	-	987,789	1,455,159	At the contract rate determined by extend and amount of work assigned
Fee income from sales and trading services and research					
- Nomura Singapore Limited	521,436	4,093,688	8,069,471	11,371,066	At actual costs plus a margin of 10 percent net with the brokerage commission received
Fee income from late delivery					
- Instinet Pacific Limited	14,909	404,594	181,481	410,099	At normal rate charged to other clients
Fees expense from other services					
- Nomura Singapore Limited	2,658,617	-	2,658,617	-	At the contract rate determined by extend and amount of work assigned
Fee expenses from Hi-speed circuit service					
- United Information Highway Co., Ltd.	581,174	475,217	1,190,767	993,648	At the same rate charged to other clients without dependent interest
Brokerage fees expense from foreign securities trading					
- Nomura Singapore Limited	7,732	8,706	15,514	8,498	Calculated based on trade volume and at the referential rate charged to other clients without dependent interest
Interest received from loans to employees					
- Director	-	95	-	479	At the same rate charged to other Company's staffs

As at 30 June 2019 and 31 December 2018, the outstanding balances of the related party transactions are as follows:

	(Unit: Baht)	
	30 June 2019	31 December 2018
Securities business receivables		
- Instinet Pacific Limited	6,858,125	296,850,749
Other assets - accrued income receivables		
- Nomura Singapore Limited	964,742	36,543,629
- Nomura International (Hong Kong) Limited	12,919,353	-
Other assets - Securities borrowing and		
Lending receivables		
- Nomura International Plc.	-	2,350
- Instinet Pacific Limited	-	3,000
Other assets - others		
- Nomura Singapore Limited	35,612	-
- Nomura Securities Co., Ltd.	2,394	564,781
Securities business payables		
- Instinet Pacific Limited	72,273,984	361,167,552
Other liabilities		
- Nomura Singapore Limited	2,658,617	-

Management's remuneration

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2019	2018	2019	2018
Short-term employee benefits	18,091,460	22,530,131	43,880,408	44,517,922
Post-employment benefits	1,422,114	1,287,961	3,018,528	2,501,372
Total	19,513,574	23,818,092	46,898,936	47,019,294

30. Operating information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company is organised into business units based on its products and services and have four reportable segments as follows:

- Securities business segment, which provide service according to brokering, derivative brokering and securities borrowing and lending.
- Investment banking segment, which provide service according to underwriting, investment advisory and financial advisory.
- Fixed Income segment, which provide service according to trading debt securities.
- Other segments, which provide support services and operating management.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The following tables present revenue and profit and total assets regarding the Company operating segments information as at 30 June 2019 and 31 December 2018, and for the three-month and six-month periods ended 30 June 2019 and 2018 of the Company by segment.

(Unit: Million Baht)

For the three-month periods ended 30 June

	Securities business		Investments		Fixed income		Other segments		Total	
	segment		banking segment		segment					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenue	215	233	17	13	9	3	4	6	245	255
Segment operating income	37	53	2	(7)	1	(3)	2	2	42	45
Unallocated income (expenses)										
Interest on margin loans									71	99
Gain and return on financial instruments									19	32
Other income									2	2
Financial costs									(13)	(25)
Personnel expenses and other expenses									(66)	(62)
Bad debt and doubtful accounts									-	(41)
Income tax									(10)	(10)
Profit for the period									45	40

(Unit: Million Baht)

For the six-month periods ended 30 June

	Securities business		Investments		Fixed income		Other segments		Total	
	segment		banking segment		segment					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total revenue	392	588	28	29	14	9	9	12	443	638
Segment operating income	29	165	1	(2)	2	5	3	5	35	173
Unallocated income (expenses)										
Interest on margin loans									141	202
Gain and return on financial instruments									38	42
Other income									5	3
Financial costs									(26)	(51)
Personnel expenses and other expenses									(152)	(138)
Bad debt and doubtful accounts									-	(106)
Income tax									(7)	(22)
Profit for the period									34	103

(Unit: Million Baht)

As at

	Securities business		Investments banking		Fixed income		Other segments		Total	
	segment		segment		segment					
	30	31	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December	June	December
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Premises and equipment - net									86	89
Unallocated assets									8,549	9,863
Total assets									8,635	9,952

Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers

For the three-month and six-month periods ended 30 June 2019 and 2018, the Company has no major customer with revenue of 10 percent or more of an entity's revenues.

31. Commitments and contingent liabilities

As at 30 June 2019 and 31 December 2018, the Company has the following outstanding commitments and contingent liabilities.

- 31.1** The Company has the following outstanding commitments under the lease agreements for its office building and motor vehicles, under which the Company is to pay rental and service fees in the future, counting from the period end date, as follows.

	(Unit: Million Baht)	
	30 June 2019	31 December 2018
Within 1 year	58	57
In 1 - 2 years	41	46
Over 2 years	4	16

- 31.2** The Company has commitments to pay the fees related to its securities business to the Stock Exchange of Thailand, Thailand Clearing House Company Limited and Thailand Securities Depository Company Limited. These comprise a monthly fixed amount, a percentage of trading volume each month and/or a percentage of net settlements each month.
- 31.3** The Company has commitment to pay the fees related to its derivatives business to Thailand Futures Exchange Public Company Limited and Thailand Clearing House Company Limited. These comprise a monthly fixed amount and/or at the fixed payment for each purchase or sale of a futures contract transacted.
- 31.4** The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to securities business licenses at the rate of 0.001 percent of its trading volume in the Stock Exchange of Thailand. For commission received from securities trading, underwriting and others which the Company has licenses, the fee is charged at the rate of 1 percent of income from the aforesaid activities. For securities trading of funds, the fee is charged at the rate of 0.001 percent of sale volume of funds. The minimum total fee is Baht 25,000 per annum and the maximum total fee is Baht 10,000,000 per annum.

31.5 The Company has commitments to pay a fee to the Office of the Securities and Exchange Commission in relation to derivatives business licenses at the rate of Baht 0.10 per contract and Baht 0.01 per contract for single stock futures with underlying price not over Baht 100. The minimum total fee is Baht 25,000 per annum and the maximum total fee is Baht 1,000,000 per annum.

32. Financial instruments

Financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

32.1 Risk management policy

The Company's financial instruments principally comprise cash and cash equivalents, receivables/payables from clearing house and broker-dealers, securities and derivatives business receivables/payables, investments, loans to employees, borrowings from financial institutions and debt issued and other borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

32.2 Credit risk

The Company is exposed to credit risk primarily with respect to securities and derivatives business receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivable from Clearing House, securities and derivatives business receivables and loans to employees as stated in the statements of financial position.

32.3 Interest rate risk

Interest rate risk refers to the risk that the value of financial asset and financial liabilities may change from the market interest rate. However, since most of the Company's financial assets and liabilities will mature in 1 year or has floating interest rate, the Company's interest rate risk is expected to be low.

As at 30 June 2019 and 31 December 2018 classified by type of interest rates are summarised in the table below.

(Unit: Million Baht)

30 June 2019

Outstanding balances of financial instruments							
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Interest rate	
		Within 1 year	1 - 5 years			Floating	Fixed
						interest rate	interest rate
						% p.a.	% p.a.
Financial assets							
Cash and cash equivalents	425	-	-	11	436	0.05 - 1.25	-
Receivable from Clearing House and broker-dealers	-	-	-	449	449	-	-
Securities and derivatives business receivables	5,567	385	1	996	6,949	5.06 - 6.06	3.50 - 5.19
Investments	-	97	-	341	438	-	0.375 -1.800
Loans to employees	57	-	-	-	57	1.50	-
Financial liabilities							
Borrowings from financial institutions	750	600	100	-	1,450	1.95	1.844 - 2.145
Payables to Clearing House and broker-dealers	-	-	-	2	2	-	-
Securities and derivatives business payables	-	404	-	1,229	1,633	-	2.50
(Unit: Million Baht)							

(Unit: Million Baht)

31 December 2018

Outstanding balances of financial instruments							
	Floating interest rate	Fixed interest rate which the remaining period before maturity date or end of contract date		Without interest	Total	Interest rate	
		Within 1 year	1 - 5 years			Floating	Fixed
						interest rate	interest rate
						% p.a.	% p.a.
Financial assets							
Cash and cash equivalents	384	-	-	4	388	0.05 - 1.25	-
Receivable from Clearing House and broker-dealers	-	-	-	29	29	-	-
Securities and derivatives business receivables	5,709	487	1	2,239	8,436	5.06 - 6.06	3.50 - 5.19
Investments	-	596	-	107	703	-	1.05 - 2.30
Loans to employees	56	-	-	-	56	1.50	-
Financial liabilities							
Borrowings from financial institutions	-	1,150	100	-	1,250	-	1.84 - 2.30
Payables to Clearing House and broker-dealers	-	-	-	478	478	-	-
Securities and derivatives business payables	-	588	-	1,566	2,154	-	2.50
Debt issued and other borrowings	-	300	-	-	300	-	1.60

32.4 Liquidity risk

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

Counting from the reporting date, as at 30 June 2019 and 31 December 2018, the periods to the maturity dates of financial instruments are as follows.

(Unit: Million Baht)

	30 June 2019					
	Outstanding balances of financial instruments					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<u>Financial assets</u>						
Cash and cash equivalents	436	-	-	-	-	436
Receivable from Clearing House and broker-dealers	-	449	-	-	-	449
Securities and derivatives business receivables	838	454	1	-	5,566	6,859
Investments	336	97	-	-	5	438
Loans to employees	-	1	5	51	-	57
<u>Financial liabilities</u>						
Borrowings from financial institutions	750	600	100	-	-	1,450
Payables to Clearing House and broker-dealers	-	2	-	-	-	2
Securities and derivatives business payables	797	840	-	-	-	1,637

(Unit: Million Baht)

31 December 2018						
Outstanding balances of financial instruments						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	388	-	-	-	-	388
Receivable from Clearing House and broker-dealers	-	29	-	-	-	29
Securities and derivatives business receivables	1,131	1,613	1	-	5,603	8,348
Investments	102	596	-	-	5	703
Loans to employees	-	1	6	49	-	56
Financial liabilities						
Borrowings from financial institutions	200	950	100	-	-	1,250
Payables to Clearing House and broker-dealers	-	478	-	-	-	478
Securities and derivatives business payables	1,095	1,062	-	-	-	2,157
Debt issued and other borrowings	-	300	-	-	-	300

32.5 Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

The significant balances of financial assets and liabilities denominated in foreign currencies as at 30 June 2019 and 31 December 2018 are summarised below:

(Unit: Thousand unit)						
Foreign currency	Financial assets		Financial liabilities		Average exchange rates	
	30 June	31 December	30 June	31 December	30 June	31 December
	2019	2018	2019	2018	2019	2018
(Baht per 1 foreign currency unit)						
Japanese yen	625	55	520	-	0.2855	0.2931
Hong Kong dollar	294	234	-	-	3.9386	4.1416
Singapore dollar	10	7	-	-	22.7261	23.6943
United States dollar	156	57	88	-	30.7443	32.4498
Australia dollar	1	-	-	-	21.5368	22.8411
United Kingdom pound	2	1	-	-	38.9778	41.0667
Euro Zone	-	1	-	-	34.9484	37.1252
Canada dollar	3	-	2	-	23.4702	23.8186
Laos kip	926,195	865,880	-	-	0.0035	0.0038

32.6 Equity position risk

The Company is exposed to equity position risk, due to the Company has investment in listed securities which will result in fluctuations in revenue or the value of financial assets.

33. Fair value

As of 30 June 2019 and 31 December 2018, the Company had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

30 June 2019				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Held for trade investments				
Equity instruments	335,635	-	-	335,635
Debt instruments	-	-	-	-
Derivative assets ¹	-	-	-	-
Financial liabilities measured at fair value				
Derivative liabilities ¹	-	-	-	-

¹ Fair value of derivatives assets/liabilities - futures as at 30 June 2019 amounting to Baht 4 million and Baht 5 million, respectively, included in "Receivables from Clearing House and brokers", were measured at fair value by using Level 1 of input

(Unit: Thousand Baht)

31 December 2018				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Held for trade investments				
Equity instruments	101,319	-	-	101,319
Debt instruments	-	499,980	-	499,980
Derivative assets ¹	-	-	-	-
Financial liabilities measured at fair value				
Derivative liabilities ¹	-	-	-	-

¹ Fair value of derivatives assets/liabilities - futures as at 31 December 2018 amounting to Baht 11 million and Baht 4 million, respectively, included in "Receivables from Clearing House and brokers", were measured at fair value by using Level 1 of input

As at 30 June 2019 and 31 December 2018, the Company had the financial assets and financial liabilities that were measured at cost for which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	30 June 2019				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value					
Cash and cash equivalents	436	436	436	-	-
Receivable from Clearing House and broker-dealers	449	449	-	449	-
Securities and derivatives business receivables	6,859	6,859	-	6,859	-
Investments	103	103	85	13	5
Loans to employees	57	45	-	-	45
Financial liabilities for which fair value are disclosed					
Borrowings from financial institutions	1,450	1,450	-	1,450	-
Payables to Clearing House and broker-dealers	2	2	-	2	-
Securities and derivatives business payables	1,637	1,637	-	1,637	-

(Unit: Million Baht)

	31 December 2018				
	Book value	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets and liabilities measured at fair value					
Cash and cash equivalents	388	388	388	-	-
Receivable from Clearing House and broker-dealers	29	29	-	29	-
Securities and derivatives business receivables	8,348	8,348	-	8,348	-
Investments	101	101	84	12	5
Loans to employees	56	45	-	-	45
Financial liabilities for which fair value are disclosed					
Borrowings from financial institutions	1,250	1,250	-	1,250	-
Payables to Clearing House and broker-dealers	478	478	-	478	-
Securities and derivatives business payables	2,157	2,157	-	2,157	-
Debt issued and other borrowings	300	300	-	300	-

Valuation techniques and inputs used for fair value measurement

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, Receivable from Clearing House and broker-dealers, Securities and derivatives business receivables, Payables to Clearing House and broker-dealers and Securities and derivatives business payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments, their fair value is generally derived from quoted market prices or based on generally accepted pricing models when no market price is available. The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) The fair value of unit trusts has been determined by using the net asset value per unit as announced by the fund managers. For investment in non-marketable equity securities, their fair value is based on their net book value.
- d) For loans to employees under welfare program, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- e) For Borrowings from financial institutions and Debt issued and other borrowings carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

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

34. Approval of financial statements

These financial statements were authorised for issue by the Company's board of directors on 26 August 2019.

Attachment 6

Connected Transactions

Capital Nomura Securities Public Company Limited

Attachment 6: Connected Transactions

For the six-months period ended June 30, 2019 and for the year ended December 31, 2018, Capital Nomura Securities Public Company Limited ("the Company") has connected transactions with the related companies and connected persons as follows;

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the six-months period ended June 30, 2019	For the year ended December 31, 2018	
1. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura International Plc.	Agency Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	-	111,955	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.
2. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Instinet Pacific Limited	Agency Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	22,394,935	55,659,087	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.
3. Capital Nomura Securities Public Company Limited and Dr. Prasit Kanchanasakdichai	Dr. Prasit Kanchanasakdichai is the independent director of the Company	Agency Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	67,100	114,634	The commission fee was based on trade volume and the normal commission rate as the Company charged to other clients.
4. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Investors Business Support Agreement which the Company provided services and received fee in return	1 year	7,605,169	14,582,818	The service fee was calculated by reference to the actual cost plus 10% margin.

Capital Nomura Securities Public Company Limited

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the six-months period ended June 30, 2019	For the year ended December 31, 2018	
5. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Service agreement which the Company provided information of international investment banking and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	13,074,459	32,006,950	The service fee was calculated by reference to the actual cost plus 10% margin.
6. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Introducing Broker Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	646,777	611,960	The service fee was calculated based on actual executed transactions of our referred customers and at the rate as indicated in the agreement referred to the similar business.
7. Capital Nomura Securities Public Company Limited and Nomura International Plc.	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura International Plc.	Global Master Securities Lending Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 15 days written notice to other party	317,493	72,495	At normal rate charged to other clients
8. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Instinet Pacific Limited	Global Master Securities Lending Agreement which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 15 days written notice to other party	49,707	400,364	At normal rate charged to other clients

Capital Nomura Securities Public Company Limited

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the six-months period ended June 30, 2019	For the year ended December 31, 2018	
9. Capital Nomura Securities Public Company Limited and Nomura Securities Co., Ltd.	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Securities Co., Ltd.	The Company provided services as required by Nomura Securities Co., Ltd. in support of Nomura Securities Co., Ltd.'s financial advisory services to client. The Company provided services and received fee in return.	Depend on the pre-determined period of each assignment	2,834,095	13,256,164	The service fee was the contract rate determined by extent and amount of work assigned.
10. Capital Nomura Securities Public Company Limited and Nomura International (Hong Kong) Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura International (Hong Kong) Limited	The Company provided services as required by Nomura International (Hong Kong) Limited in support of Nomura International (Hong Kong) Limited's financial advisory services to client. The Company provided services and received fee in return.	Depend on the pre-determined period of each assignment	964,742	12,314,358	The service fee was the contract rate determined by extent and amount of work assigned.
11. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	The Company provided services as required by Nomura Singapore Limited's financial advisory services to client. The Company provided services and received fee in return.	Depend on the pre-determined period of each assignment	987,789	3,840,065	The service fee was the contract rate determined by extent and amount of work assigned.

Capital Nomura Securities Public Company Limited

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the six-months period ended June 30, 2019	For the year ended December 31, 2018	
12. Capital Nomura Securities Public Company Limited and Nomura Securities Singapore Pte. Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Securities Singapore Pte. Limited and Nomura Singapore Limited	Agreement for Provision of Securities Trading and Research Services which the Company provided services and received fee in return	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	8,069,471	22,385,521	The service fee was calculated by reference to the actual cost plus 10% margin net with the brokerage commission received. The service fee was received only from Normura Singapore Limited
13. Capital Nomura Securities Public Company Limited and Instinet Pacific Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Instinet Pacific Limited	Other fee from late delivery securities	-	181,481	731,812	At normal rate charged to other clients
14. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Referral fee – PROJECT AIR	-	2,658,617	-	The service rendered within the scope and volume of work assigned.
15. Capital Nomura Securities Public Company Limited and United Information Highway Co., Ltd.	The Company's director is the managing director of United Information Highway Co., Ltd.	Hi-Speed Circuit Service Agreement. The Company received the hi-speed circuit service and paid fee for service	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	1,190,767	2,199,360	The service fee was at the same rate charged to other clients without dependent interest.

Capital Nomura Securities Public Company Limited

Related companies / Connected persons	Relationship	Description of the transaction	Period of the agreement	Value of transaction (Baht)		Remarks
				For the six-months period ended June 30, 2019	For the year ended December 31, 2018	
16. Capital Nomura Securities Public Company Limited and Nomura Singapore Limited	Nomura Holdings, Inc. is the ultimate parent company of the Company and Nomura Singapore Limited	Agreement for execution of securities trading orders that listed in foreign securities market which the Company received service and paid fee for service	No expiry date, however, the Agreement can be terminated by issuing not less than 30 days written notice to other party	15,514	24,866	The service fee was calculated based on trade volume and the referential rate charged by others without dependent interest.
17. Capital Nomura Securities Public Company Limited and Mrs. Chrisana Sae-Leiw	Mrs. Chrisana Sae-Leiw is the executive director of the Company	Loan agreement (Housing Loan) as staff welfare	Not over than 100 months	-	479	The interest rate was the same rate as the Company charged to other Company's staffs.

Capital Nomura Securities Public Company Limited

Outstanding balance of connected transactions as at June 30, 2019 and December 31, 2018

Transaction	Related companies / persons	Presented in Financial Statements as	June 30, 2019	December 31, 2018
Agency Agreement	Instinet Pacific Limited	Securities business receivable	6,858,125	296,850,749
Agency Agreement	Instinet Pacific Limited	Securities business payable	72,273,984	361,167,552
Investors Business Support Agreement	Nomura Singapore Limited	Other assets	345,169	1,682,818
Introducing Broker Agreement	Nomura Singapore Limited	Other assets	158,518	143,949
Agreement for Provision of Securities Trading and Research Services	Nomura Securities Singapore Pte. Ltd and Nomura Singapore Limited	Other assets	521,436	15,108,143
Service Agreement-International investment banking	Nomura Singapore Limited	Other assets	10,837,296	17,056,869
Service Agreement-Financial Advisory	Nomura Singapore Limited	Other assets	1,056,934	2,551,850
Service Agreement-Financial Advisory	Nomura Securities Singapore Pte. Ltd	Other assets	964,742	-
Global Master Securities Lending Agreement	Nomura International Plc.	Other assets	-	2,350
Global Master Securities Lending Agreement	Instinet Pacific Limited	Other assets	-	3,000
Brokerage Referral Service Agreement	Nomura Singapore Limited	Other liabilities	2,658,617	-
Accrued referral fee – PROJECT AIR	Nomura Singapore Limited	Other assets	35,612	-
Others – Reimbursement	Nomura Securities Co., Ltd	Other assets	2,394	564,781

Necessity and soundness of connected transactions

In case the Company enters into any connected transactions with related companies or related persons, the Company will consider the necessity and soundness to enter into such agreements for connected transactions based on the Company's best interest.

Approval procedures or measures of connected transactions

The Board of Directors requires the Company to comply with the Stock Exchange of Thailand's and the Securities and Exchange Commission's regulations.

Policy or outlook for future connected transactions

The Company has the Connected Transactions Policy. Connected transactions shall be considered for the best interests of the Company.

Enclosure No. 6: Registration and Proxy Procedure

1. Registration

The shareholder or whoever attends the meeting as proxy of shareholder has to register and submit the document for verification at the meeting venue before attendance since 9.00 a.m. of November 27, 2019.

2. In case of attendance in person – Individual Shareholder

Original I.D. card, or government official identification card, or passport (for foreigner) is required for registration and attendance. In case where there is a change in name - surname, the appropriate evidence is required.

3. In case of appointment of a proxy (appointee)

The shareholder must appoint only one appointee to attend the meeting and use the attached Proxy Form.

If the shareholder wants to appoint the Company's director to attend and vote in the meeting, please appoint at least two independent directors as following in order that anyone of them may attend and vote on behalf of the shareholder:

Associate Professor Dr. Danuja Kunpanitchakit, Chairperson of the Audit Committee and Independent Director, Age: 65 Years

Address: 25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn Bangkok 10120 or

Col. Ruangsub Kovindha, Audit Committee Member and Independent Director, Age: 67 Years

Address: 25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn Bangkok 10120 or

Mr. Prasert Virasathienpornkul, Audit Committee Member and Independent Director, Age: 59 Years

Address: 25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn Bangkok 10120 or

Dr. Prasit Kanchanasakdichai, Independent Director, Age: 55 Years

Address: 25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn Bangkok 10120

The complete filled-in and signed Proxy Form with Baht 20 of duty stamp has to be submitted to the Chairman of the meeting or the person delegated by the Chairman of the meeting before attendance. Any correction or deletion needs to be certified by the appointer. A duty stamp is available at the registration counter.

Documents required for Proxy

1. For natural person shareholder:

- 1.1 A certified true copy of shareholder's I.D. card or government official identification card or passport (for foreigner) and
- 1.2 The appointee must show the original of his/her I.D. card, or government official identification card, or passport for registration.

2. For juristic person shareholder:

2.1 If the shareholder is the juristic person registered in Thailand:

- 2.1.1 A copy of the certificate of incorporation issued by the Ministry of Commerce or a copy of the certificate issued by other authorities within 90 days and certified true copy by the authorized person with the company seal (if any) is required. and
- 2.1.2 The appointee must show the original of his/her I.D. card or government official identification card or passport (for foreigner) for registration

2.2 If the shareholder is the juristic person registered outside Thailand:

- 2.2.1 A letter issued by a notary public certifying that the person who signed for an appointer in the Proxy Form is the person who is duly and lawfully authorized to sign on behalf of the juristic person. and
- 2.2.2 A copy of the certificate of incorporation. (no need to be notarized by notary public) and
- 2.2.3 A certified true copy of passport of the authorized person signing on the Proxy form and
- 2.2.4 The appointee must show the original of his/her I.D. card, or government official identification card, or passport for registration.

Enclosure No. 7: Biographies of Independent Directors, proposed by the Company to serve as proxy for shareholders

Associate Professor Danuja Kunpanitchakit, Ph.D.	Chairperson of the Audit Committee and Independent Director	
Age	65 years	
Address	25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10110	
Education Background	Doctor of Philosophy (Business Administration), University of Wisconsin (Madison), USA	
Direct and indirect shareholding in CNS (including spouse) (%)	– None –	
Work experience in the last 5 years	Apr 2019 - Present	Chairperson of the Audit Committee and Independent Director, Capital Nomura Securities Public Company Limited
	2018 - Present	Director of Financial Management Committee, Thai PBS
	2018 - Present	Director of Corporate Governance and Social Responsibility Committee, Thai PBS
	2018 - Present	Independent Director and Chairperson of Audit Committee, Vinythai Public Company Limited
	2017 - Present	Academic Council Committee, Rajamangala University of Technology Phra Nakhon
	2017 - Present	Member of the TFAC Board, Thailand Federation of Accounting Professions under the Royal Patronage of His Majesty the King
	2017 - Present	Member of the Financial and Property Committee, Walailak University
	2017 - Present	Member of the Audit Subcommittee, Deposit Protection Agency
	2017 - Present	Member of the Faculty of Dentistry Board, Chulalongkorn University
	2016 - Present	Director of Monitoring and Evaluation Committee, Suranaree University of Technology
	2014 - Present	Member of the Audit Committee, Bank of Thailand
	2012 - 2017	Independent Director and Member of the Audit Committee, Vinythai Public Company Limited
	2008 - 2016	Vice President (Accounting and Finance), Chulalongkorn University
Interest on meeting agenda	– None –	
Special interests which are different from other directors	– None –	

Col. Ruangsub Kovindha	Audit Committee and Independent Director	
Age	67 years	
Address	25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10110	
Education Background	Bachelor of Science in Engineering, University of Alabama, U.S.A.	
Direct and indirect shareholding in CNS (including spouse) (%)	– None –	
Work experience in the last 5 years	Jan 2002 – Present	Audit Committee and Independent Director, Capital Nomura Securities Public Company Limited
	Nov 2018 – Present	Director, Brainergy Co.,Ltd.
	Jan 2018 – Present	Chief Executive Officer, United Information Highway Co., Ltd.
	2015 – Present	Director, Telecom Solutions Provider Co.,Ltd.
	2015 – Present	Director, BB Connect Co.,Ltd.
	2015 – Present	Director, Virtual Data Center Co.,Ltd.
	2015 – Present	Director, UIH International Co.,Ltd.
	2015 – Present	Director, Myanmar Information Highway Ltd.
	2014 – Present	Director, Cloud HM Co.,Ltd.
	2013 – Present	Director, Shinasub Co.,Ltd.
	2011 – Present	Director, Wide Access Co.,Ltd.
	2010 – Present	Director, BB Broadband Co.,Ltd.
	2009 – Present	Director, Top Up For You Co.,Ltd.
	2007 – Present	Director, BB Technology Co.,Ltd.
	2017 – 2018	Director, Any Cloud Co., Ltd.
	2007 – 2018	Director, I Secure Co.,Ltd.
	2000 – 2017	Managing Director, United Information Highway Co., Ltd.
Interest on meeting agenda	– None –	
Special interests which are different from other directors	– None –	

Mr. Prasert Virasathienpornkul	Audit Committee and Independent Director	
Age	59 years	
Address	25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10110	
Education Background	Master of Business Administration, University of Wisconsin Madison, U.S.A.	
Direct and indirect shareholding in CNS (including spouse) (%)	– None –	
Work experience in the last 5 years	Mar 1999 – Present	Audit Committee and Independent Director, Capital Nomura Securities Public Company Limited
	2012 – Jan 2017	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director, Daii Group Public Company Limited
	2010 – 2016	Audit Committee and Independent Director, Kantana Group Public Company Limited
	2014 – 2016	Chairman of the Board of Directors, Chairman of the Audit Committee and Independent Director, Master Ad Public Company Limited
	2003 – 2013	Chairman of the Audit Committee and Independent Director, Master Ad Public Company Limited
Interest on meeting agenda	– None –	
Special interests which are different from other directors	– None –	

Dr. Prasit Kanchanasakdichai	Audit Committee and Independent Director	
Age	55 years	
Address	25 Bangkok Insurance Building, 15th – 17th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10110	
Education Background	DBA in Finance with highest score in the class as well as Beta, Gamma, Sigma Honor, Boston University, U.S.A.	
Direct and indirect shareholding in CNS (including spouse) (%)	– None –	
Work experience in the last 5 years	Dec 2010 – Present	Independent Director, Capital Nomura Securities Public Company Limited
	Nov 2015 – Present	Chairman/CEO, Thailand Iron works Public Company Limited
	Mar 2012 – Present	Managing Director, TCB Daikure Co., Ltd.
	Apr 2011 – Present	Director, Daikure (Thailand) Co., Ltd.
	Oct 2007 – Present	Managing Director, T.C.B. Home Center Co., Ltd.
	Oct 2004 – Present	Chairman and Managing Director, Thai Const & Building Manufacturing Public Company Limited
	Sep 2003 – Present	Managing Director, C.M. Manufacturing Co., Ltd.
Interest on meeting agenda	– None –	
Special interests which are different from other directors	– None –	

Enclosure No. 8: Definition of the Company's Independent Director

Definition of Independent Director

The Company ("CNS") has the definition of independent directors which is in line with the minimum requirements of the SEC and the SET Office regarding number and qualification of the independent directors.

- (1) The Company shall have Independent Directors at least one third of the board size, and in any cases, the number shall not be fewer than three.
- (2) Each Independent Director shall have the below qualifications.
 1. holding no more than one percent of the total voting shares of the Company, its parent company, subsidiary, associate company, major shareholder or controlling person of the Company, including shares held by the connected persons of such independent director.
 2. not being or having been an executive director, employee, staff, advisor earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least two years prior to the date of filing the application with the SEC Office. In this regard, such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company.
 3. not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
 4. not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least two years prior to the date of filing the application with the SEC Office.

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of the Company or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person.

5. not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application with the SEC Office.
6. not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application with the SEC Office.
7. not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a majority shareholder.
8. not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary.
9. not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company.

Enclosure No. 9: The Company's Articles of Association relating to the Shareholders' Meeting

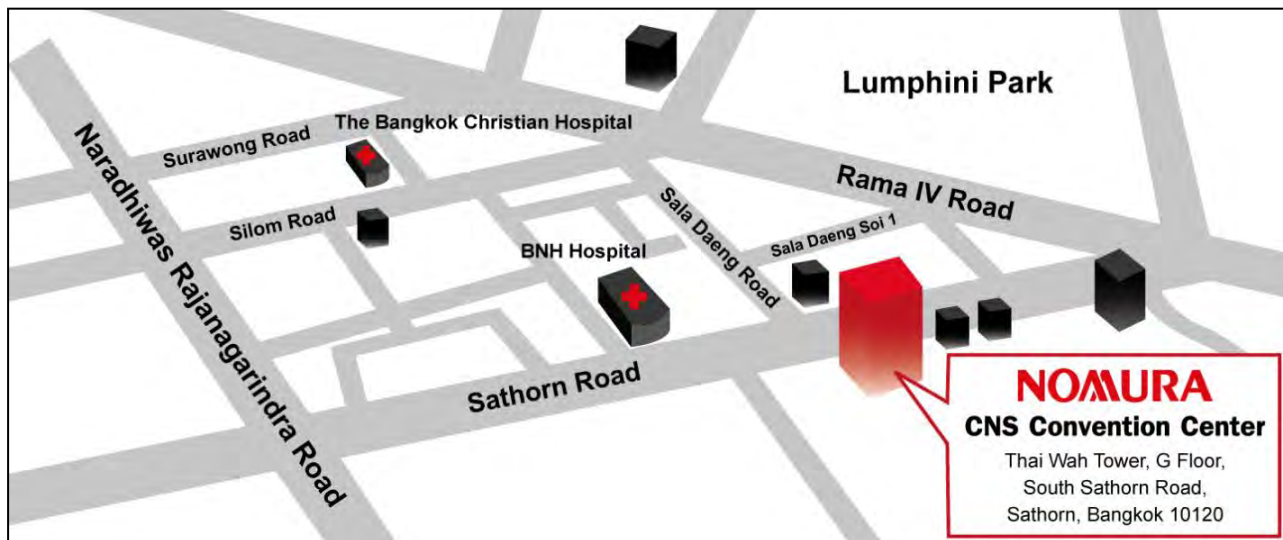
CHAPTER 3 Shareholders Meetings

- Article 14. The Board of Directors shall convene an annual general meeting of shareholders within four months from the last day of the accounting period of the Company.
- Meetings of shareholders other than those specified above shall be called the extraordinary meetings.
- The Board of Directors may summon an extraordinary meeting whenever it deems appropriate.
- Article 15. Shareholders holding an aggregate of shares of not less than one-fifth of the total number of shares sold, or shareholders to a number of not less than twenty-five persons holding an aggregate of shares of not less than one-tenth of the total number of shares sold, may at any time make a requisition in writing for the Board of Directors to summon an extraordinary meeting, provided that the requisition clearly gives reasons for summoning the shareholders meeting. In such a case, the Board of Directors shall convene the shareholders meeting within one month from the date of receipt of such written requisition from the shareholders.
- Article 16. In summoning a shareholders meetings, the Board of Directors shall prepare a notice of the meeting specifying the place, date, time, agenda and the business to be submitted to the meeting, together with appropriate details stating clearly what will be for acknowledgement, for approval and for consideration, as the case may be, and the opinions of the Board of Directors on the said matters, and shall send the same to the shareholders and the Registrar for information not less than seven days prior to the meeting. Publication of the notice of the meeting shall be made in a newspaper for three consecutive days at least three days prior to the meeting.
- The place of the shareholders meeting shall be in the same locality as the Company's head office or in a neighboring province.
- Article 17. For a shareholders' meeting, there must be shareholders and their proxies (if any) present numbering not less than twenty-five persons or not less than half the total number of shareholders and holding an aggregate of not less than one-third of the total number of shares sold to constitute a quorum.
- If, after one hour from the time fixed for any shareholders' meeting, the number of shareholders present is insufficient to form a quorum as specified in the first paragraph, then if such shareholders' meeting was summoned by a requisition by the shareholders under Article 15, it shall be cancelled, but if such shareholders' meeting was not requisitioned by the shareholders under Article 15, the meeting shall be convened again by the Board of Directors and in the latter case the notice of the meeting shall be sent to the shareholders not less than seven days prior to the date of the meeting. A quorum is not compulsory for the new meeting.
- The shareholders or proxies present at a shareholders' meeting shall have the right to vote according to the number of shares held. One share shall have one vote, except the case where the Company has issued preference shares and has designated that they are entitled to voting right less than that of ordinary shares.
- Article 18. The Chairman of the Board shall preside over the shareholders meeting. If the Chairman of the Board is not present at the meeting or is unable to perform the duties, the Vice-Chairman, if available, shall preside over the meeting. If there is no Vice-Chairman, or the Vice-Chairman is unable to perform the duties, the shareholders present at the meeting shall elect one of the shareholders to preside over the meeting.
- Article 19. Resolutions of the shareholders meeting shall comprise the following votes:
- (1) In the normal case, a majority of the votes of the shareholders who attend the meeting and cast their votes. In the case of equality of votes, the presiding chairman shall have an additional casting vote;
 - (2) In the following case, not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote:
 - (a) The sale or transfer of all or a substantial part of the businesses of the Company to another person;
 - (b) The purchase or acceptance of transfer of a business belonging to another company or a private company by the Company;
 - (c) The execution, amendment or termination of a contract relating to the leasing out of all or a substantial part of the businesses of the Company, the assignment for another person to manage the affairs of the Company, or the consolidation of a business with another person for the purpose of profit and loss sharing;
- Article 20. Transaction that the annual general meeting must conduct are as follows:
- (1) Reviewing the report of the Board of Directors covering the work done during the preceding year;
 - (2) Considering and approving the balance sheet and the profit and loss account;
 - (3) Considering the appropriation of profits;
 - (4) Election of Directors in place of those who must retire by rotation;
 - (5) Appointment of the auditor and the fixing his remuneration;
 - (6) Other business.

Enclosure No. 10: Map of the meeting location for the Extraordinary General Meeting of Shareholders No. 1/2562 (CNS Convention Center)

CNS Convention Center

21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120



Remark: The shareholders who attend the Extraordinary General Meeting of Shareholders No. 1/2562
Please park your car at Bangkok Insurance Building, South Sathorn Road
(The meeting will be held at CNS Convention Center, Thai Wah Tower)

หนังสือมอบฉันทะ แบบที่ 1
Proxy Form No. 1

เขียนที่.....
Made at

วันที่.....เดือน.....พ.ศ.....
Date Month Year

(1) ข้าพเจ้า.....สัญชาติ.....อยู่บ้านเลขที่.....
I / We Nationality Residing at No.

ถนน.....ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....
Street Sub-district District Province Post Code

(2) เป็นผู้ถือหุ้นของบริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)
As a shareholder of Capital Nomura Securities Public Company Limited,

โดยถือหุ้นจำนวนทั้งสิ้นรวม.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง ดังนี้
holding a total number of shares, with total voting right of votes as follow :

หุ้นสามัญ.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง
Ordinary share shares, with the voting right of votes

หุ้นบุริมสิทธิ.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง
Preferred share shares, with the voting right of votes

(3) ขอมอบฉันทะให้
Hereby appoint

(1) อายุ.....ปี อยู่บ้านเลขที่.....
Age Years Residing at No.

ถนน.....ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....หรือ
Street Sub-district District Province Post Code or

(2) อายุ.....ปี อยู่บ้านเลขที่.....
Age Years Residing at No.

ถนน.....ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....หรือ
Street Sub-district District Province Post Code or

(3) อายุ.....ปี อยู่บ้านเลขที่.....
Age Years Residing at No.

ถนน.....ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....
Street Sub-district District Province Post Code

สิ่งที่ส่งมาด้วยลำดับที่ 11

Enclosure No. 11

คนหนึ่งคนใดเพียงคนเดียวเป็นผู้แทนของข้าพเจ้าเพื่อเข้าประชุมและออกเสียงลงคะแนนแทนข้าพเจ้าในการประชุมวิสามัญผู้ถือหุ้น ครั้งที่ 1/2562
anyone of them to be my/our Proxy to attend and vote on my/our behalf at the Shareholders' Extraordinary General Meeting No.1/2562

ในวันที่ 27 พฤศจิกายน 2562 เวลา 10.00 น. ณ CNS Convention Center เลขที่ 21/3 อาคารไทยวา ชั้น G ถนนสาทรใต้ แขวงทุ่งมหาเมฆ เขตสาทร
to be held on November 27, 2019 at 10.00 a.m., at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn,

กรุงเทพมหานคร 10120 หรือจะพึงเลื่อนไปในวัน เวลา และสถานที่อื่นด้วย
Bangkok 10120, or at any adjournment thereof to any other day, time and venue.

กิจการใดที่ผู้รับมอบฉันทะกระทำไปในการประชุมนั้น ให้ถือเสมือนว่าข้าพเจ้าได้กระทำเองทุกประการ
All acts undertaken by the Proxy at this meeting shall be deemed as my/our own act (s) in all respects.

ลงชื่อ.....ผู้มอบฉันทะ
Signed Appointer
(.....)

ลงชื่อ.....ผู้รับมอบฉันทะ
Signed Proxy
(.....)

ลงชื่อ.....ผู้รับมอบฉันทะ
Signed Proxy
(.....)

ลงชื่อ.....ผู้รับมอบฉันทะ
Signed Proxy
(.....)

หมายเหตุ: ผู้ถือหุ้นที่มอบฉันทะ จะต้องมอบฉันทะให้ผู้รับมอบฉันทะเพียงรายเดียวเป็นผู้เข้าประชุมและออกเสียงลงคะแนน ไม่สามารถแบ่งแยกจำนวน
หุ้นให้ผู้รับมอบฉันทะหลายคนเพื่อแยกการลงคะแนนเสียงได้

Remarks: The voting right has to be assigned to only one Proxy, therefore, this voting right cannot be divided and separately assigned to more than one Proxy.

สิ่งที่ส่งมาด้วยลำดับที่ 11

Enclosure No. 11

อากรแสตมป์
Stamp
20 บาท

หนังสือมอบฉันทะ แบบที่ 2 Proxy Form No. 2

เขียนที่.....
Made at
วันที่.....เดือน.....พ.ศ.....
Date Month Year
(1) ข้าพเจ้า.....สัญชาติ.....อยู่บ้านเลขที่.....
I / We Nationality Residing at No.
ถนน.....ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....
Street Sub-district District Province Post Code

(2) เป็นผู้ถือหุ้นของบริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)
As a shareholder of Capital Nomura Securities Public Company Limited,
โดยถือหุ้นจำนวนทั้งสิ้นรวม.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง ดังนี้
holding a total number of shares, with total voting right of votes as follow:
หุ้นสามัญ.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง
Ordinary share shares, with the voting right of votes
หุ้นบุริมสิทธิ.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง
Preferred share shares, with the voting right of votes

(3) ขอมอบฉันทะให้
Hereby appoint
☐ (1) อายุ.....ปี อยู่บ้านเลขที่.....ซอย.....ถนน.....
Age Years Residing at No. Soi Street
ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....หรือ
Sub-district District Province Post Code or

☐ (2) อายุ.....ปี อยู่บ้านเลขที่.....ซอย.....ถนน.....
Age Years Residing at No. Soi Street
ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....หรือ
Sub-district District Province Post Code or

☐ (3) ...รองศาสตราจารย์ ดร.ดรุณา คุณพนิชกิจ... อายุ.....65.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17
Associate Professor Danuja Kunpanitchakit, Ph.D. Age 65 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor
ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด...กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ
Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

☐ (4) ...พันเอกเรือรthrophy ไขววินทะ..... อายุ.....67.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17
Col. Ruangsub Kovindha Age 67 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor
ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด...กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ
Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

☐ (5) ...นายประเสริฐ วีระเสถียรพรกุล..... อายุ.....59.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17
Mr. Prasert Virasathienpornkul Age 59 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor
ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด...กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ
Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

☐ (6) ...ดร.ประสิทธิ์ กาญจนศักดิ์ชัย..... อายุ.....55.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17
Dr. Prasit Kanchanasakdichai Age 55 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor
ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด...กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ
Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

คนหนึ่งคนใดเพียงคนเดียวเป็นผู้แทนของข้าพเจ้าเพื่อเข้าประชุมและออกเสียงลงคะแนนแทนข้าพเจ้าในการประชุมวิสามัญผู้ถือหุ้น ครั้งที่ 1/2562
anyone of them to be my/our Proxy to attend and vote on my/our behalf at the Shareholders' Extraordinary General Meeting No.1/2562

ในวันที่ 27 พฤศจิกายน 2562 เวลา 10.00 น. ณ CNS Convention Center เลขที่ 21/3 อาคารไทยวา ชั้น G ถนนสาทรใต้ แขวงทุ่งมหาเมฆ เขตสาทร
to be held on November 27, 2019 at 10.00 a.m., at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn,

กรุงเทพมหานคร 10120 หรือจะพึงเลื่อนไปในวัน เวลา และสถานที่อื่นด้วย
Bangkok 10120, or at any adjournment thereof to any other day, time and venue.

สิ่งที่ส่งมาด้วยลำดับที่ 11

Enclosure No. 11

(4) ข้าพเจ้าขอมอบฉันทะให้ผู้รับมอบฉันทะออกเสียงลงคะแนนแทนข้าพเจ้าในการประชุมครั้งนี้ ดังนี้

In this meeting, I/We hereby appoint my/our Proxy to vote as follows:

วาระที่ 1 เรื่อง พิจารณารับรองรายงานการประชุมสามัญผู้ถือหุ้นประจำปี ครั้งที่ 1/2562 เมื่อวันที่ 26 เมษายน 2562
Agenda 1 Subject : To consider adopting the Minutes of the Annual General Meeting of Shareholders No. 1/2562 held on April 26, 2019

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every item at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้าดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย
Approve

☐ ไม่เห็นด้วย
Disapprove

☐ งดออกเสียง
Abstain

วาระที่ 2 เรื่อง พิจารณานำมติการขอเพิกถอนหลักทรัพย์ของบริษัทฯ ออกจากการเป็นหลักทรัพย์จดทะเบียนในตลาดหลักทรัพย์ฯ
Agenda 2 Subject : To consider and approve the delisting of the Company's securities from the SET

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every item at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้าดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย
Approve

☐ ไม่เห็นด้วย
Disapprove

☐ งดออกเสียง
Abstain

วาระที่ 3 เรื่อง พิจารณาเรื่องอื่นๆ (ถ้ามี)
Agenda 3 Subject : Other matters (if any)

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every item at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้าดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย
Approve

☐ ไม่เห็นด้วย
Disapprove

☐ งดออกเสียง
Abstain

(5) การลงคะแนนเสียงของผู้รับมอบฉันทะในวาระใดที่ไม่เป็นไปตามที่ระบุไว้ในหนังสือมอบฉันทะนี้ ให้ถือว่าการลงคะแนนเสียงนั้น

Voting of the Proxy on any agenda that is not in accordance with my/our instruction stated herein.

ไม่ถูกต้อง และไม่ใช่ว่าเป็นการลงคะแนนเสียงของข้าพเจ้าในฐานะผู้ถือหุ้น
will be regarded as incorrect voting and will not be regarded as a vote of shareholder.

(6) ในกรณีที่ข้าพเจ้าไม่ได้ระบุความประสงค์ในการออกเสียงลงคะแนนในวาระใดไว้ หรือระบุไว้ไม่ชัดเจน

In case I/We have not stated my/our instruction of how to vote, or such instruction is ambiguous,

หรือในกรณีที่ประชุมมีการพิจารณาหรือลงมติในเรื่องใดนอกเหนือจากเรื่องที่ระบุไว้ข้างต้น รวมถึงกรณีที่มีการ
or in cases this meeting has to consider or approve any other matter other than the items stated herein, as well as there is

แก้ไขเปลี่ยนแปลงหรือเพิ่มเติมข้อเท็จจริงประการใด ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
any change of any fact, the Proxy shall be entitled to freely vote at his/her own discretion.

กิจการใดที่ผู้รับมอบฉันทะได้กระทำไปในการประชุม เว้นแต่กรณีที่ผู้รับมอบฉันทะไม่ออกเสียงตามที่ข้าพเจ้าระบุในหนังสือมอบฉันทะ

Any act undertaken by the Proxy in this meeting, except the case that the Proxy did not vote as instructed herein,

ให้ถือเสมือนว่าข้าพเจ้าได้กระทำเองทุกประการ
shall be deemed as my/our own act (s) in every respect.

ลงชื่อ.....ผู้มอบฉันทะ

Signed Appointer

(.....)

ลงชื่อ.....ผู้รับมอบฉันทะ

Signed Proxy

(.....)

ลงชื่อ.....ผู้รับมอบฉันทะ

Signed Proxy

(.....)

ลงชื่อ.....ผู้รับมอบฉันทะ

Signed Proxy

(.....)

หมายเหตุ

1. ผู้ถือหุ้นที่มอบฉันทะจะต้องมอบฉันทะให้ผู้รับมอบฉันทะเพียงรายเดียวเป็นผู้เข้าร่วมประชุมและออกเสียงลงคะแนนไม่สามารถแบ่งแยกจำนวนหุ้นให้
ผู้รับมอบฉันทะหลายคนเพื่อแยกการลงคะแนนเสียงได้
The voting right has to be assigned to only one Proxy, therefore, this voting right cannot be divided and separately assigned to more than one Proxy.

Remarks

2. วาระเลือกตั้งกรรมการสามารถเลือกตั้งกรรมการทั้งชุดหรือเลือกตั้งกรรมการเป็นรายบุคคล
For the election of directors, the voter may elect some or all of the nominees.

3. ในกรณีที่มิวาระที่จะพิจารณาในการประชุมมากกว่าวาระที่ระบุไว้ข้างต้น ผู้มอบฉันทะสามารถระบุเพิ่มเติมได้ในใบประจำตอบแบบหนังสือมอบฉันทะ
แบบที่ 2 ตามแนบ
In case, there is any agenda, other than those stipulated above, the Proxy may set forth in an Allonge annexed to the form of Proxy No. 2 as attached herewith.

ใบประจำต่อแบบหนังสือมอบฉันทะแบบที่ 2

Allonge annexed to the Form of Proxy No. 2

การมอบฉันทะในฐานะเป็นผู้ถือหุ้นของบริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)

The Proxy as a shareholder of Capital Nomura Securities Public Company Limited

ในการประชุมวิสามัญผู้ถือหุ้น ครั้งที่ 1/2562 ในวันที่ 27 พฤศจิกายน 2562 เวลา 10.00 น. ณ CNS Convention Center

For the Shareholders' Extraordinary General Meeting No. 1/2562 to be held on November 27, 2019 at 10.00 a.m., at CNS Convention Center

เลขที่ 21/3 อาคารไทยวา ชั้น G ถนนสาทรใต้ แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพมหานคร 10120 หรือจะพึงเลื่อนไปในวัน เวลา และสถานที่อื่นด้วย
21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120, or at any adjournment thereof to any other day, time and venue.

☐ วาระที่.....เรื่อง.....

Agenda Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every items at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย ☐ ไม่เห็นด้วย ☐ จดออกเสียง
Approve Disapprove Abstain

☐ วาระที่.....เรื่อง.....

Agenda Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every items at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย ☐ ไม่เห็นด้วย ☐ จดออกเสียง
Approve Disapprove Abstain

☐ วาระที่.....เรื่อง.....

Agenda Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every items at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย ☐ ไม่เห็นด้วย ☐ จดออกเสียง
Approve Disapprove Abstain

☐ วาระที่.....เรื่อง.....

Agenda Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every items at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย ☐ ไม่เห็นด้วย ☐ จดออกเสียง
Approve Disapprove Abstain

☐ วาระที่.....เรื่อง.....

Agenda Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every items at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย ☐ ไม่เห็นด้วย ☐ จดออกเสียง
Approve Disapprove Abstain

☐ วาระที่.....เรื่อง.....

Agenda Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
Authorizing the Proxy to vote for every items at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้
The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย ☐ ไม่เห็นด้วย ☐ จดออกเสียง
Approve Disapprove Abstain

ลงชื่อ.....ผู้มอบฉันทะ

Signed Appointer

(.....)

หนังสือมอบฉันทะ แบบที่ 3
Proxy Form No. 3

(แบบที่ใช้เฉพาะกรณีผู้ถือหุ้นเป็นผู้ลงทุนต่างประเทศและแต่งตั้งให้คัสโตเดียนในประเทศไทย (Custodian) เป็นผู้รับฝากและดูแลหุ้น)
(For Custodian)

เขียนที่.....

Made at

วันที่.....เดือน.....พ.ศ.....

Date Month Year

สำนักงานตั้งอยู่เลขที่.....

(1) ข้าพเจ้า.....

I / We

Residing at No.

ถนน.....ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....

Street Sub-district District Province Post Code

ในฐานะผู้ประกอบธุรกิจเป็นผู้รับฝากและดูแลหุ้น (Custodian) ให้กับ.....

As a custodian for

ซึ่งเป็นผู้ถือหุ้นของบริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)

Who is a shareholder of Capital Nomura Securities Public Company Limited

โดยถือหุ้นจำนวนทั้งสิ้นรวม.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง ดังนี้

holding a total number of shares, with total voting right of votes as follow:

หุ้นสามัญ.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง

Ordinary share shares, with the voting right of votes

หุ้นบุริมสิทธิ.....หุ้น ออกเสียงลงคะแนนได้เท่ากับ.....เสียง

Preferred share shares, with the voting right of votes

(2) ขอมอบฉันทะให้

Hereby appoint

☐ (1) อายุ.....ปี อยู่บ้านเลขที่.....ซอย.....ถนน.....

Age Years Residing at No. Soi Street

ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....หรือ

Sub-district District Province Post Code or

☐ (2) อายุ.....ปี อยู่บ้านเลขที่.....ซอย.....ถนน.....

Age Years Residing at No. Soi Street

ตำบล/แขวง.....อำเภอ/เขต.....จังหวัด.....รหัสไปรษณีย์.....หรือ

Sub-district District Province Post Code or

☐ (3) ...รองศาสตราจารย์ ดร.ดนูชา คุณพนิชกิจ... อายุ.....65.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17

Associate Professor Danuja Kunpanitchakit, Ph.D. Age 65 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor

ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด..กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ

Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

☐ (4) ...พันเอกเรืองทรัพย์ โสวินทะ..... อายุ.....67.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17

Col. Ruangsab Kovindha Age 67 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor

ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด..กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ

Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

☐ (5) ...นายประเสริฐ วีระเกียรติพรกุล..... อายุ.....59.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17

Mr. Prasert Virasathienpornkul Age 59 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor

ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด..กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ

Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

☐ (6) ...ดร.ประสิทธิ์ กาญจนศักดิ์ชัย..... อายุ.....55.....ปี ที่อยู่ เลขที่...25..... อาคารกรุงเทพประกันภัย ชั้น 15-17

Dr. Prasit Kanchanasakdichai Age 55 Years Residing at No. 25 Bangkok Insurance Building, 15th -17th Floor

ถนน..สาทรใต้..ตำบล/แขวง..ทุ่งมหาเมฆ..อำเภอ/เขต..สาทร..จังหวัด..กรุงเทพฯ...รหัสไปรษณีย์...10120... (ไม่มีส่วนได้เสียในระเบียบวาระการประชุม) หรือ

Street South Sathorn Sub-district Thungmahamek District Sathorn Province Bangkok Post Code 10120 (No conflict of interest in any Agenda of the meeting) or

คนหนึ่งคนใดเพียงคนเดียวเป็นผู้แทนของข้าพเจ้าเพื่อเข้าประชุมและออกเสียงลงคะแนนแทนข้าพเจ้าในการประชุมวิสามัญผู้ถือหุ้น ครั้งที่ 1/2562

anyone of them to be my/our Proxy to attend and vote on my/our behalf at the Shareholders' Extraordinary General Meeting No.1/2562

ในวันที่ 27 พฤศจิกายน 2562 เวลา 10.00 น. ณ CNS Convention Center เลขที่ 21/3 อาคารไทยวา ชั้น G ถนนสาทรใต้ แขวงทุ่งมหาเมฆ เขตสาทร

to be held on November 27, 2019 at 10.00 a.m., at CNS Convention Center, 21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn,

กรุงเทพมหานคร 10120 หรือจะพึงเลื่อนไปในวัน เวลา และสถานที่อื่นด้วย

Bangkok 10120, or at any adjournment thereof to any other day, time and venue.

สิ่งที่ส่งมาด้วยลำดับที่ 11

Enclosure No. 11

- (3) ข้าพเจ้าขอมอบฉันทะให้ผู้รับมอบฉันทะเข้าร่วมประชุมและออกเสียงลงคะแนนในครั้งนี้นี้ ดังนี้

In this meeting, I/We hereby appoint my/our Proxy to attend and vote as follows

- ☐ มอบฉันทะตามจำนวนหุ้นทั้งหมดที่ถือและมีสิทธิออกเสียงลงคะแนนได้

Authorizing the Proxy to attend and vote for the whole of my/our holding shares which have the voting right.

- ☐ มอบฉันทะบางส่วน คือ

Authorizing the Proxy to attend and vote for the partial of my/our holding shares which have the voting right as follows:

☐ หุ้นสามัญ.....หุ้น และมีสิทธิออกเสียงลงคะแนนได้.....เสียง
Ordinary share shares, with the voting right of votes

☐ หุ้นบุริมสิทธิ.....หุ้น และมีสิทธิออกเสียงลงคะแนนได้.....เสียง
Preferred share shares, with the voting right of votes

รวมสิทธิออกเสียงลงคะแนนได้ทั้งหมด.....เสียง
Total voting right of votes

- (4) ข้าพเจ้าขอมอบฉันทะให้ผู้รับมอบฉันทะออกเสียงลงคะแนนแทนข้าพเจ้าในการประชุมครั้งนี้ ดังนี้

In this meeting, I/We hereby appoint my/our Proxy to vote as follows:

วาระที่ 1 เรื่อง พิจารณารับรองรายงานการประชุมสามัญผู้ถือหุ้นประจำปี ครั้งที่ 1/2562 เมื่อวันที่ 26 เมษายน 2562

Agenda 1 Subject: To consider adopting the Minutes of the Annual General Meeting of Shareholders No. 1/2562 held on April 26, 2019

- ☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร

Authorizing the Proxy to vote for every item at his/her own discretion.

- ☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้

The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย.....เสียง ☐ ไม่เห็นด้วย.....เสียง ☐งดออกเสียง.....เสียง
Approve Shares Disapprove Shares Abstain Shares

วาระที่ 2 เรื่อง พิจารณานำมติการขอเพิกถอนหลักทรัพย์ของบริษัทฯ ออกจากการเป็นหลักทรัพย์จดทะเบียนในตลาดหลักทรัพย์ฯ

Agenda 2 Subject: To consider and approve the delisting of the Company's securities from the SET

- ☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร

Authorizing the Proxy to vote for every item at his/her own discretion.

- ☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้

The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย.....เสียง ☐ ไม่เห็นด้วย.....เสียง ☐งดออกเสียง.....เสียง
Approve Shares Disapprove Shares Abstain Shares

วาระที่ 3 เรื่อง พิจารณาเรื่องอื่นๆ (ถ้ามี)

Agenda 3 Subject: Other matters (if any)

- ☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร

Authorizing the Proxy to vote for every item at his/her own discretion.

- ☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้า ดังนี้

The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย.....เสียง ☐ ไม่เห็นด้วย.....เสียง ☐งดออกเสียง.....เสียง
Approve Shares Disapprove Shares Abstain Shares

- (5) การลงคะแนนเสียงของผู้รับมอบฉันทะในวาระใดที่ไม่เป็นไปตามที่ระบุไว้ในหนังสือมอบฉันทะนี้ ให้ถือว่าการลงคะแนนเสียงนั้น

Voting of the Proxy on any agenda that is not in accordance with my/our instruction stated herein

ไม่ถูกต้อง และไม่ถือเป็นการลงคะแนนเสียงผู้ถือหุ้น

will be regarded as incorrect voting and will not be regarded as a vote of shareholder.

สิ่งที่ส่งมาด้วยลำดับที่ 11

Enclosure No. 11

- (6) ในกรณีที่ข้าพเจ้าไม่ได้ระบุความประสงค์ในการออกเสียงลงคะแนนในวาระใดไว้ หรือระบุไว้ไม่ชัดเจน

In case I/We have not stated my/our instruction of how to vote, or such instruction is ambiguous,

หรือในกรณีที่ประชุมมีการพิจารณาหรือลงมติในเรื่องใดนอกเหนือจากเรื่องที่ระบุไว้ข้างต้น รวมถึงกรณีที่มีการ

or in cases this meeting has to consider or approve any other matter other than the items stated herein, as well as there is

แก้ไขเปลี่ยนแปลงหรือเพิ่มเติมข้อเท็จจริงประการใด ให้ผู้รับมอบอำนาจมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร
any change of any fact, the Proxy shall be entitled to freely vote at his/her own discretion.

กิจการใดที่ผู้รับมอบอำนาจได้กระทำไปในการประชุม เว้นแต่กรณีที่ผู้รับมอบอำนาจไม่ออกเสียงตามที่ข้าพเจ้าระบุในหนังสือมอบอำนาจ

Any act undertaken by the Proxy in this meeting, except the case that the Proxy did not vote as instructed herein,

ให้ถือเสมือนว่าข้าพเจ้าได้กระทำเองทุกประการ

shall be deemed as my/our own act (s) in every respect.

ลงชื่อ.....ผู้มอบอำนาจ
Signed Appointer
(.....)

ลงชื่อ.....ผู้รับมอบอำนาจ
Signed Proxy
(.....)

ลงชื่อ.....ผู้รับมอบอำนาจ
Signed Proxy
(.....)

ลงชื่อ.....ผู้รับมอบอำนาจ
Signed Proxy
(.....)

หมายเหตุ (1) หนังสือมอบอำนาจแบบที่ 3 นี้ ใช้เฉพาะกรณีที่ผู้ถือหุ้นที่ปรากฏชื่อในทะเบียนเป็นผู้ลงทุนต่างประเทศและแต่งตั้งให้คัสโตเดียน (Custodian) ในประเทศไทยเป็นผู้รับฝากและดูแลหุ้นให้เท่านั้น

Remarks This Proxy form No.3 is used only for the shareholder whose name is shown in the registered book as a foreign investor and has appointed custodian in Thailand to hold the shares.

- (2) หลักฐานที่ต้องแนบพร้อมหนังสือมอบอำนาจ คือ

(1) หนังสือมอบอำนาจจากผู้ถือหุ้นให้คัสโตเดียน (Custodian) เป็นผู้ดำเนินการลงนามในหนังสือมอบอำนาจแทน

(2) หนังสือยืนยันว่าผู้ลงนามในหนังสือมอบอำนาจแทนได้รับอนุญาตประกอบธุรกิจคัสโตเดียน (Custodian)

The document required to be attached to this Proxy form:

- (1) Power of Attorney of the shareholder authorizing the custodian to sign on the Proxy form on behalf of the shareholder.
(2) Document confirming that the Proxy permitted to conduct custodian business.

- (3) ผู้ถือหุ้นที่มอบอำนาจจะต้องมอบอำนาจให้ผู้รับมอบอำนาจเพียงรายเดียวเป็นผู้เข้าประชุมและออกเสียงลงคะแนน ไม่สามารถแบ่งแยกจำนวนหุ้นให้ผู้รับมอบอำนาจหลายคนเพื่อแยกการลงคะแนนเสียงได้

The voting right has to be assigned to only one Proxy, therefore, this voting right cannot be divided and separately assigned to more than one Proxy.

- (4) วาระเลือกตั้งกรรมการสามารถเลือกตั้งกรรมการทั้งหมดหรือเลือกตั้งกรรมการเป็นรายบุคคล

For the election of directors, the voter may elect some or all of the nominees.

- (5) ในกรณีที่มิมีวาระที่จะพิจารณาในการประชุมมากกว่าวาระที่ระบุไว้ข้างต้น ผู้มอบอำนาจสามารถระบุเพิ่มเติมได้ในใบประจำต่อแบบหนังสือมอบอำนาจแบบที่ 3 ตามแนบ

In case, there is any agenda, other than those stipulated above, the Proxy may set forth in an Allonge annexed to the form of Proxy No. 3 as attached herewith.

สิ่งที่ส่งมาด้วยลำดับที่ 11

Enclosure No. 11

ใบประจำต่อแบบหนังสือมอบฉันทะแบบที่ 3

Allonge annexed to the Form of Proxy No. 3

การมอบฉันทะในฐานะเป็นผู้ถือหุ้นของบริษัทหลักทรัพย์ โนมูระ พัฒนสิน จำกัด (มหาชน)

The Proxy as a shareholder of Capital Nomura Securities Public Company Limited

ในการประชุมวิสามัญผู้ถือหุ้น ครั้งที่ 1/2562 ในวันที่ 27 พฤศจิกายน 2562 เวลา 10.00 น. ณ CNS Convention Center

For the Shareholders' Extraordinary General Meeting No. 1/2562 to be held on November 27, 2019 at 10.00 a.m., at CNS Convention Center

เลขที่ 21/3 อาคารไทยวา ชั้น G ถนนสาทรใต้ แขวงทุ่งมหาเมฆ เขตสาทร กรุงเทพมหานคร 10120 หรือจะพึงเลื่อนไปในวัน เวลา และสถานที่อื่นด้วย

21/3 Thai Wah Tower, G Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120, or at any adjournment thereof to any other day, time and venue.

☐ วาระที่.....เรื่อง.....

Agenda

Subject:

☐ (ก) ให้ผู้รับมอบฉันทะมีสิทธิพิจารณาและลงมติแทนข้าพเจ้าได้ทุกประการตามที่เห็นสมควร

Authorizing the Proxy to vote for every item at his/her own discretion.

☐ (ข) ให้ผู้รับมอบฉันทะออกเสียงลงคะแนนตามความประสงค์ของข้าพเจ้าดังนี้

The Proxy shall vote in accordance with my/our instruction as marked (/) in the selected agendas herein:

☐ เห็นด้วย.....เสียง ☐ ไม่เห็นด้วย.....เสียง ☐งดออกเสียง.....เสียง
Approve Shares Disapprove Shares Abstain Shares

☐ วาระที่.....เรื่อง.....

Agenda

Subject:

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☐ วาระที่.....เรื่อง.....

Agenda

Subject:

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☐ วาระที่.....เรื่อง.....

Agenda

Subject:

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Approve Shares Disapprove Shares Abstain Shares

ลงชื่อ.....ผู้มอบฉันทะ

Signed Appointer

(.....)

NOMURA

Capital Nomura Securities Public Company Limited

25 Bangkok Insurance Building, 15th - 17th Floor

South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

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